

# Transaction Trends

Danish M&A Update – Q3 2023



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# Executive summary

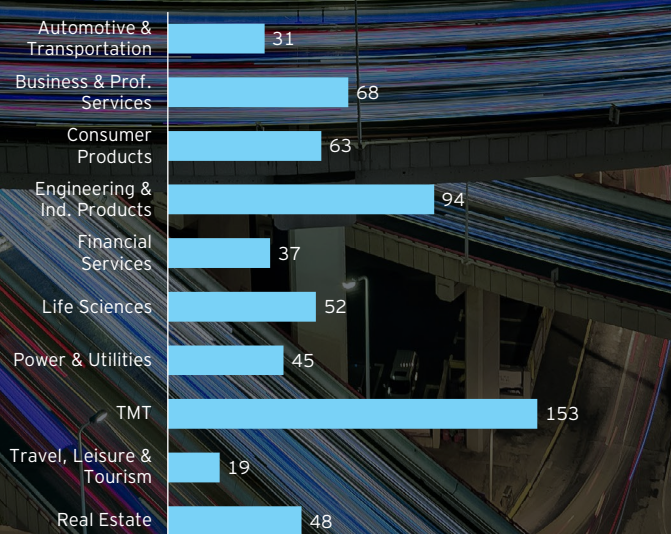
- ▶ Deal activity in the second quarter of 2023 remains consistent with the transaction volumes of the past four quarters.
- ▶ Continued strong investment activity among Danish investors. However, opposed to H1-2023 there was a shift from outbound deals towards domestic dealmaking in 3Q23.
- ▶ Stable inbound investment activity with a shift in buyers from Europe (outside Nordics) to an increased share of buyers from the Nordics and Americas. Overall, the sector deal mix was similar to the past year.
- ▶ Deal activity across all sectors has witnessed an increase in LTM compared to the average levels observed between 2019 and 3Q23.
- ▶ TMT Sector continues to be the primary contributor, accounting for approximately a quarter of total deals in LTM.
- ▶ Venture capital deal activity continues to trend downward, declining from 489 deals in LTM 3Q22 to 332 deals in LTM 3Q23.
- ▶ In 3Q23 the OMX C20 index increased, while the S&P500 and the Stoxx 600 indices witnessed a slight decline.
- ▶ Main corporate actions from Nasdaq Copenhagen's listed companies in 2023 are share buybacks, indicating strong cash flows at the companies supporting the buyback programmes.



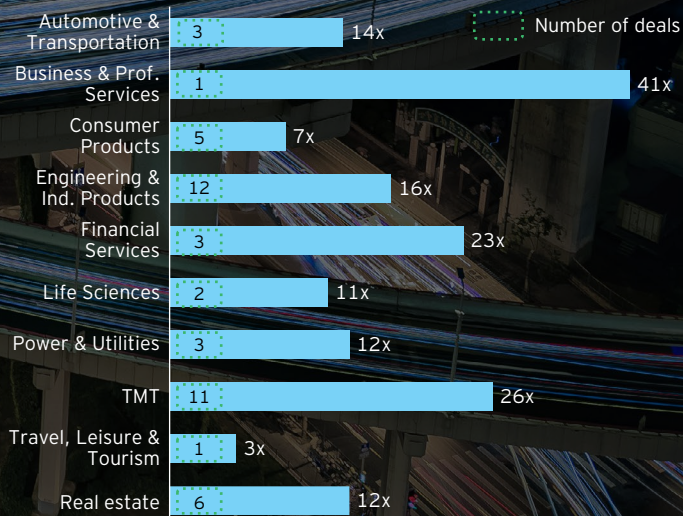
# Deal activity remains stable from previous quarters

Deal activity in Q3 2023 remains stable. The activity level was supported by strong appetite from Danish investors.

**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. Travel, Leisure & Tourism left out due to low number of deals.



In the third quarter of 2023, there was a total of 150 transactions involving Danish companies which is a modest increase of 1.4% compared to the previous quarter. The transaction volume is still below the levels observed in the first half of 2022 when the quarterly average was 185. The last 5 quarters has exhibited a stable deal volume substantially above 2019 and 2020 levels.

The Technology, Media, and Telecom (“TMT”) sector continues to maintain its position as the most active sector, with 33 deals in the third quarter of 2023 and a total of 112 transactions recorded so far in 2023.

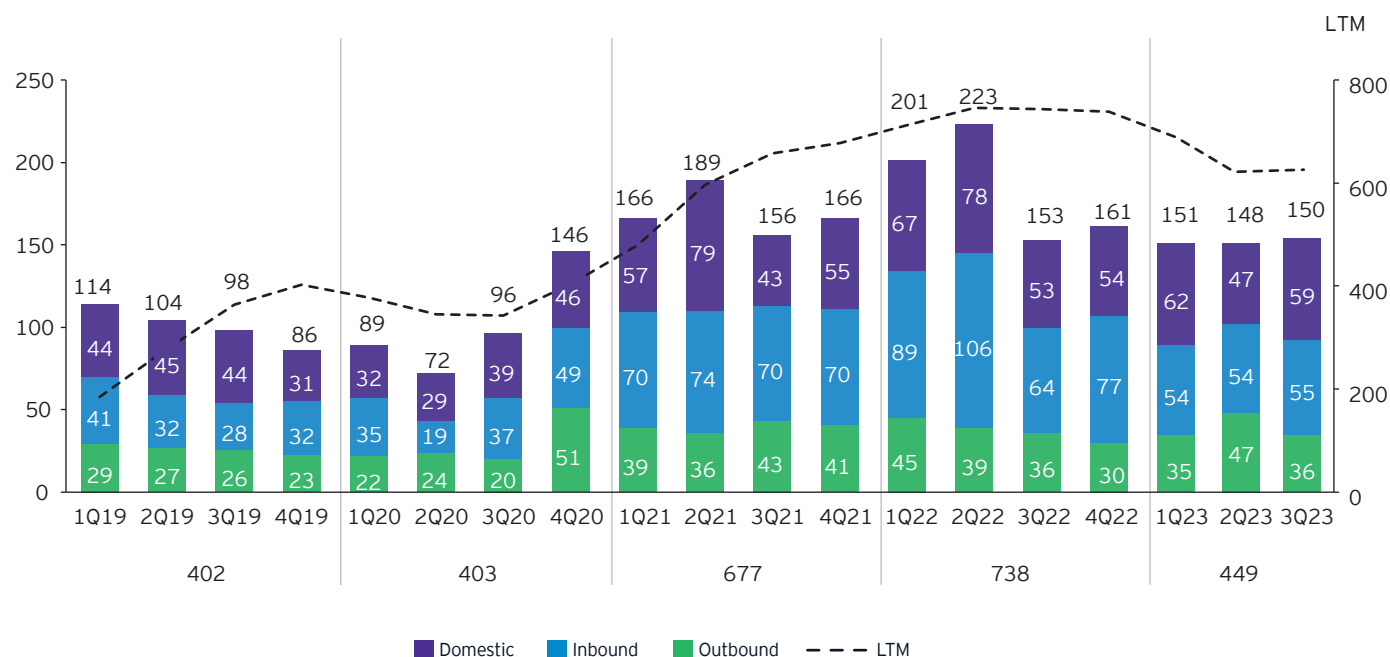
In the third quarter of 2023, there was a significant increase of 25.5% in domestic transactions compared to the second quarter. Making up 39.3% of all deals in 3Q2023, domestic transactions was the largest transaction type.

Outbound transactions decreased by 23.4%, while inbound transactions remained relatively stable. Overall, the transaction type mix was in line with averages observed in the LTM period. Among Danish targets, there was a 1.8pp increase in the share of buyers from the Nordics compared to the previous quarter. Conversely there was a 11.1pp decrease in the share of buyers from the rest of Europe, while the share of US buyers increased. The share of buyers from Denmark increased by 6.8pp.

The high level of interest rates continues to impact economics worldwide along with an uncertain macroeconomic outlook and political tensions, causing concern among investors.

### 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.

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.

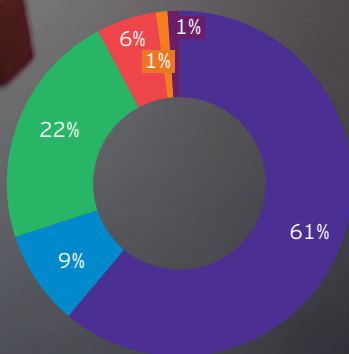


# Top 5 deal values led by life sciences segment

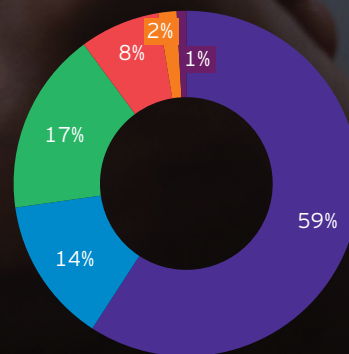
## Target region - Danish Buyers

Source: Mergermarket

Q3 2023



LTM



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*
19 July	Danske Bank A/S	Danske Bank A/S	Nordea Bank Oyj	Financial Services	USD 1,733.6m
07 July	Kerecis ehf	Undisclosed	Coloplast A/S	Life Sciences	USD 1,300m
10 August	Inversago Pharma Inc	Undisclosed	Novo Nordisk A/S	Life Sciences	USD 1,075m
24 July	London Array Offshore Wind Farm	Orsted A/S	Schroders Greencoat LLP	Power & Utilities	USD 920.5m
30 August	Embark Biotech	Embark Laboratories	Novo Nordisk A/S	Life Sciences	USD 513.2m

\*Mergermarket definition

**On 19 July 2023**, it was announced that Danske Bank A/S has sold its Norwegian personal customer and private banking business to Sweden-based peer Nordea. The acquisition has potential to strategically benefit Nordea and enhance its market presence among household customers in Norway. The financial terms were not disclosed, and the transaction is subject to regulatory approvals, expected to close in late 2024.

**On 07 July 2023**, Coloplast A/S, the Danish developer, manufacturer, and marketer of medical instrument, agreed to acquire Kerecis ehf, an Icelandic wound care company. Coloplast will pay up to USD 1,300m for the acquisition, and currently, 77% of Kerecis' shareholders have committed to sell their shares to Coloplast. Closing of the transaction is subject to customary regulatory approvals and an acceptance threshold of at least 90%. The anticipated closing date is in Q4 2022/23.

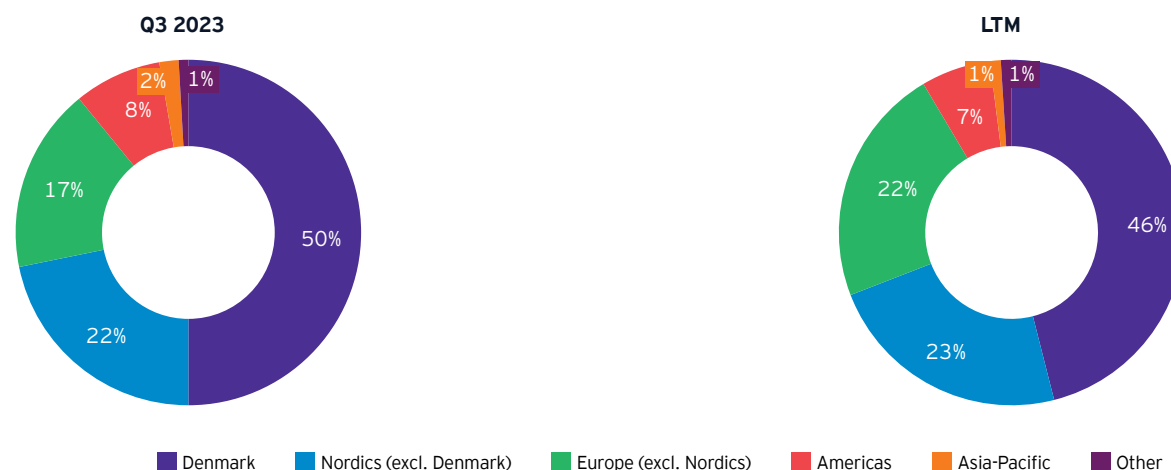
**On 10 August 2023**, Novo Nordisk, the global healthcare company, headquartered in Bagsværd, Denmark, made an announcement that they have reached an agreement to acquire Inversago, a privately-owned Canadian clinical-stage company, for USD 1,075m. Novo Nordisk noted that this acquisition of Inversago Pharma will strengthen their clinical development pipeline in the fields of obesity and related disorders.

**On 24 July 2023**, Schroders Greencoat LLP, the United Kingdom based investment management company specializing in renewable infrastructure, disclosed that they signed an agreement to acquire 25% of London Array Offshore Wind Farm from Orsted A/S. Orsted A/S, based in Denmark, is an operator and developer of wind farms.

**On 30 August 2023**, Embark Biotech, a biotech company headquartered in Denmark and focused on the treatment of metabolic diseases and obesity, made an announcement that Novo Nordisk has acquired Embark Biotech, including its lead metabolic program.

### Buyer region - Danish Targets

Source: Mergermarket





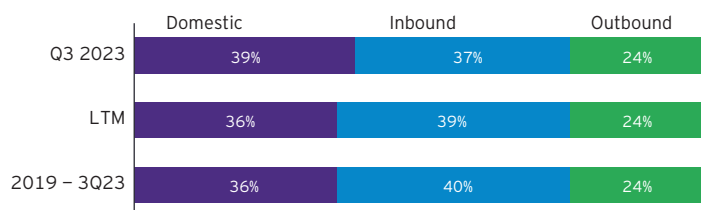


The share of TMT deals remains relatively high at 25% LTM



### Transaction type by number of transactions

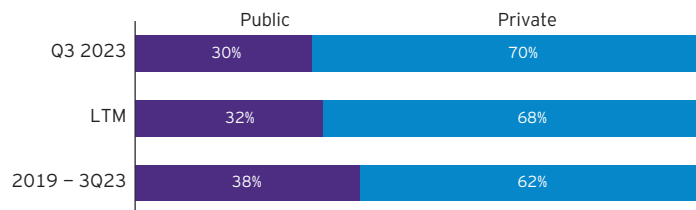
Source: Mergermarket



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					LTM trend
	Last quarter	LTM	2023	Avg. 2019 - 2023		
Automotive & Transportation	9	31	26	26	↗	
Business & Professional Services	15	68	56	56	↗	
Consumer Products	13	63	41	48	↗	
Engineering & Industrial Products	27	94	66	77	↗	
Financial Services	16	37	31	28	↗	
Life Sciences	15	52	40	43	↗	
Power & Utilities	9	45	36	40	↗	
Real Estate, Hospitality & Construction	8	48	27	39	↗	
TMT	33	153	112	137	↗	
Travel, Leisure & Tourism	5	19	14	12	↗	
<b>Total</b>	<b>150</b>	<b>610</b>	<b>449</b>	<b>536</b>	<b>↗</b>	

Note: Trend indicators refer to the comparison between the LTM vs. the avg. 2019 - 2023 number of transactions.

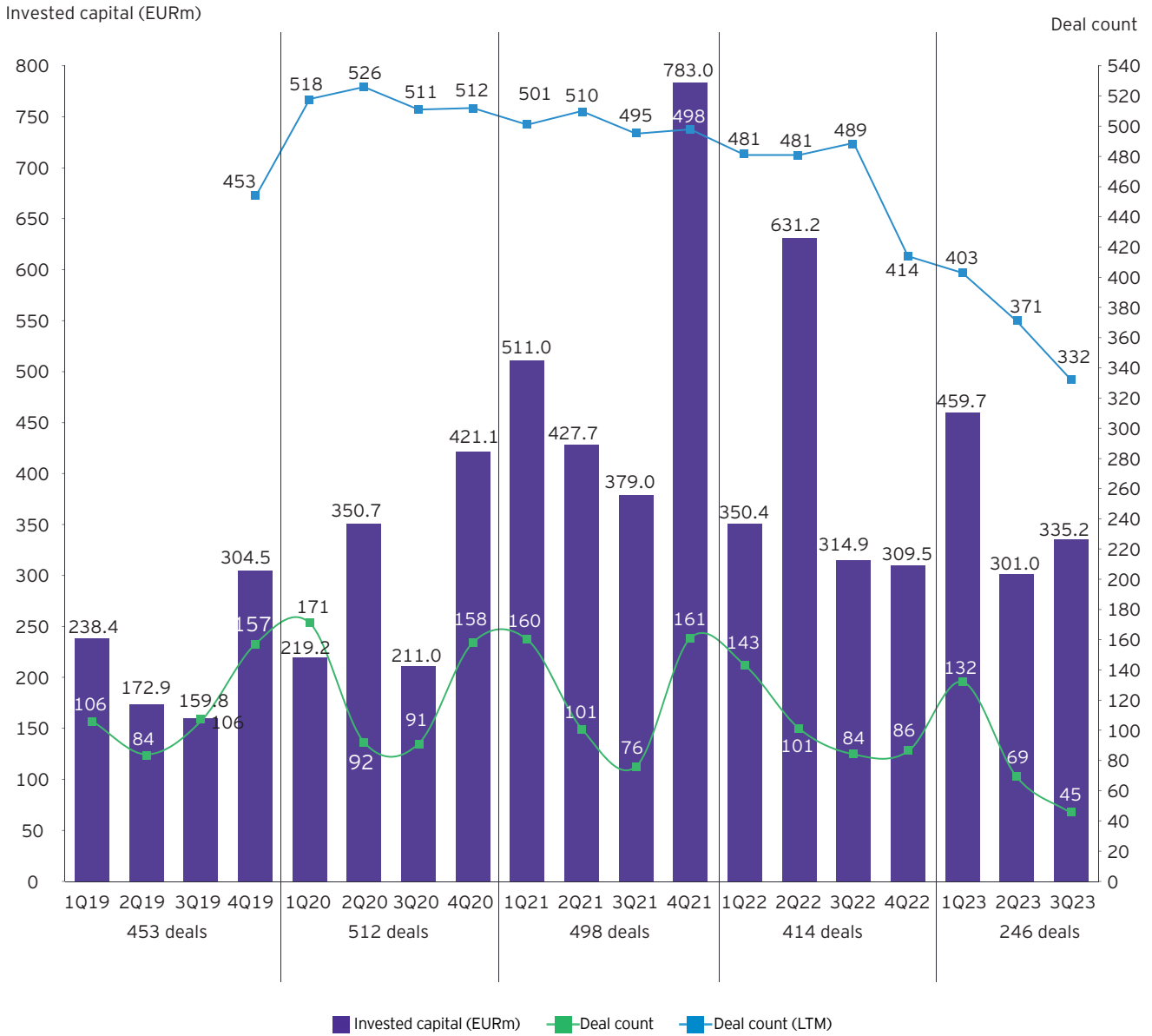


In 3Q23, a total of EUR 335.2m were invested in venture capital across 45 deals. The deal count in venture capital continues to decrease and decreased from 489 in LTM 3Q22 to 332 in LTM 3Q23



### Invested capital and number of transactions in venture capital

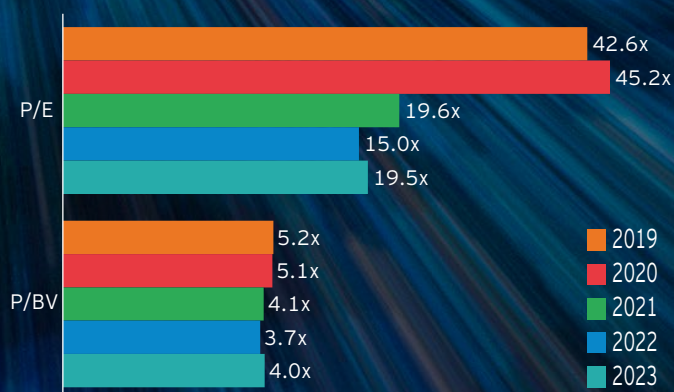
Source: Source: PitchBook Data, Inc.



# No new listings on Nasdaq Copenhagen in Q3. OMXC20 up by 4.1% driven by Novo Nordisk

**Avg. multiples of listed Danish companies**

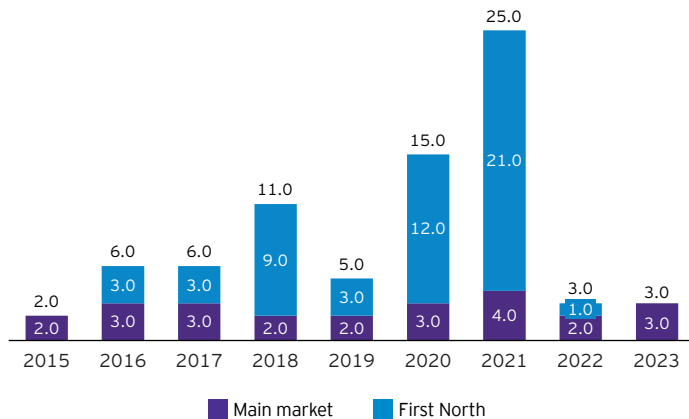
Source: Capital IQ





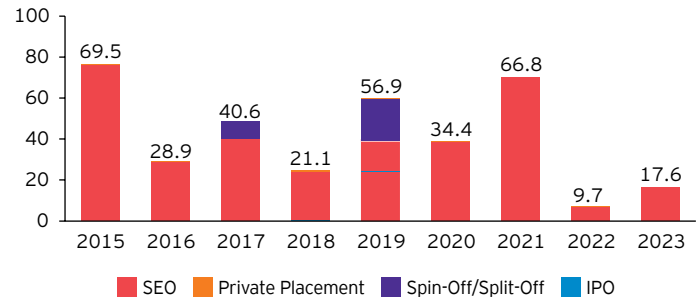
### New Listings at Nasdaq Copenhagen

Source: Nasdaq Nordics



### Issues by Value, Nasdaq Copenhagen, Main market

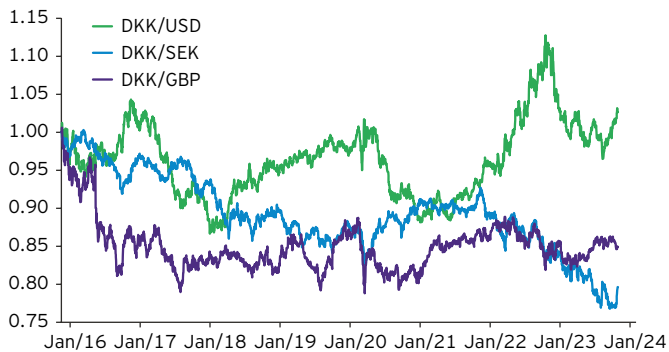
Source: Capital IQ, Mergermarket



Note \*: Based on all new listings announced on Nasdaq.

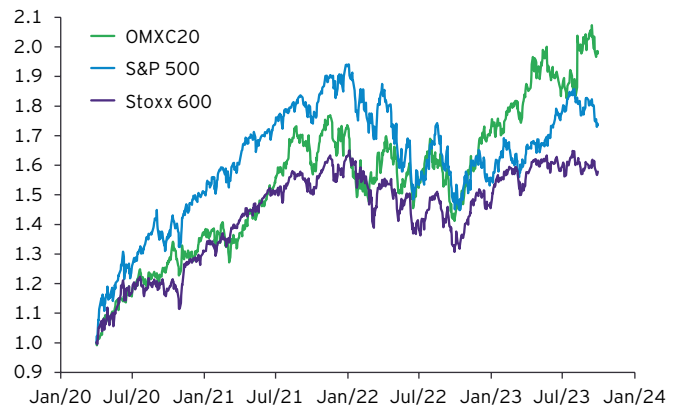
### Foreign exchange rates (indexed)

Source: Capital IQ



### Total return index

Source: Capital IQ



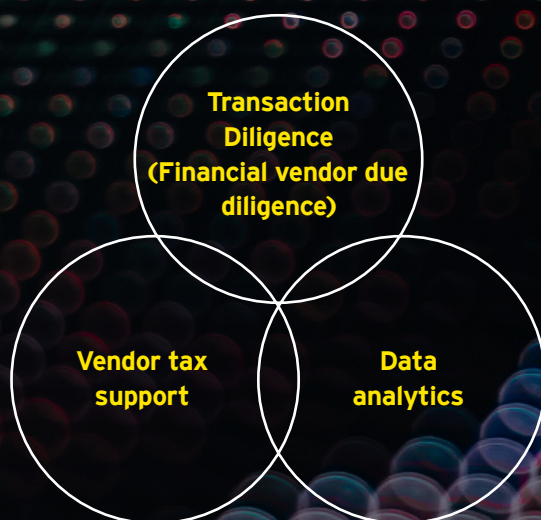
In the third quarter of 2023, no new companies were listed on Nasdaq Copenhagen's ("CSE") First North or main market. The low number of new listings compared to previous periods is likely due to uncertainties in the capital market, high and volatile interest rates, and the yet ongoing Russian-Ukraine war. Main corporate actions from Nasdaq Copenhagen's listed companies in 2023 are share buybacks, indicating managements' perception of a possible undervalued equity market. During the third quarter of 2023, the OMX C20 index increased by 4.1%, whereas the S&P500 and the Stoxx 600 decreased by 1.7% and 2.1%, respectively.

As of the end of 3Q2023 the OMXC20 stands at 12.7% YTD, the S&P 500 at 12.1% YTD and Stoxx at 6.2% YTD.

From being at its lowest level in 20 years at the end of 2Q2023 when it reached 0.63, the DKK/SEK has increased by 2.3% during 3Q2023. However, the DKK/USD and the DKK/GBP have decreased in the third quarter of 2023, leading to a decrease in Danish purchasing power.

# EY supported deal of the quarter

## Services provided by EY





## Target

Georg Jensen A/S  
Denmark



Revenue FY22A	Revenue growth FY22A	EBITDA margin FY22A	FTE FY22A
1,176.5 DKKm	6.0%	19.3%	1,205

## Buyer

Fiskars Oyj Abp  
Finland



Revenue FY22A	Profit/Loss FY22A	EBITDA margin FY22A	FTE FY22A
9,288.8 DKKm	737.4 DKKm	10.8%	6,595

## Deal description

- ▶ In September 2023, Fiskars, a Finnish cutting tools manufacturer, announced that it had entered into an agreement to acquire the Danish luxury lifestyle brand Georg Jensen from Investcorp for a debt free, cash free purchase price of EUR 151.5m. Georg Jensen A/S, founded in 1904 and headquartered in Frederiksberg, Denmark, is a renowned Danish luxury lifestyle brand. The Scandinavian designed collections include sterling silverware and flatware, fine jewellery, watches, accessories and a home collection.
- ▶ The transaction will be paid in cash and financed with debt. The enterprise value represents EV/EBITDA (LTM) multiples of 9.5x on a stand-alone basis and 4.7x with cost synergies, net of integrations costs.

## Georg Jensen at a glance

 Georg Jensen was founded in 1904	 Based in Frederiksberg, Denmark	 Approximately ~ 1,205 employees
 Designs, manufactures, and retails jewellery, watches, home products and others.	 More than 96 retail stores worldwide.	 Focus on creating innovative designs that are both beautiful and functional.

## Benefits to the client



EY supported Georg Jensen and Investcorp all the way from data preparation to the final sale.



EY, Georg Jensen and Investcorp worked in close collaboration and the client was at all times informed and included in the process.



Excellent collaboration between Georg Jensen and Investcorp, EY and other advisors.

# Contact list - EY Strategy and Transactions

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Corporate Finance



Buy and Integrate



Sell and Separate



Reshaping Results





## Strategy



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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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