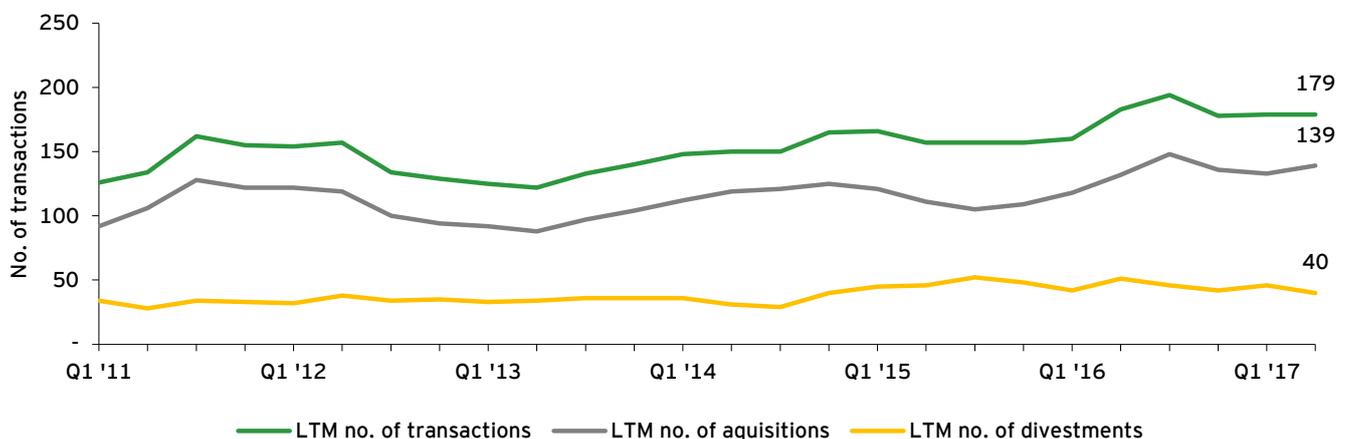


Corporate Transaction Trends

Strongest deal activity in H1 FY17 since before the financial crisis indicates hot market sentiment, guiding for continued high M&A activity during Q3.

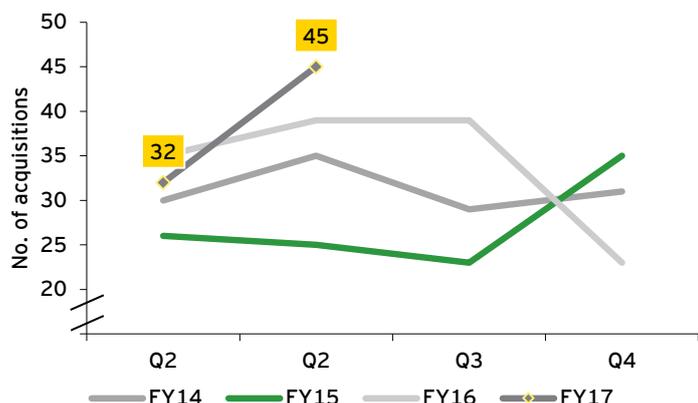
- ▶ Corporate Transaction Trends - a quarterly publication that aims to identify trends in the level and direction of transactions completed by Sweden's largest companies - reports the highest number of transactions in the first half-year since 2007.
- ▶ Sweden's largest companies completed 55 transactions in Q2 2017, a 28% increase compared to the 43 transactions closed in Q1 2017, and a strong follow-up to the 55 transactions closed during the precedent Q2, in 2016.
- ▶ While the number of divestments (10) was in line with the 11 recorded in Q1 2017, and slightly lower than the last four-quarter average of 12 divestments, the number of recorded acquisitions (45) is the highest Q2 number since 2007, before the financial crisis.
- ▶ A large portion, 58%, of the transaction activity is attributable to relatively small acquisitions, with target companies' turnover of less than 20 MEUR.
- ▶ On an LTM basis, the number of completed transactions (179) exactly corresponds to the LTM number ending with Q1 2017. This emphasizes the strong previous four quarters but also confirms, once again, that the underlying market sentiment is stable and M&A activity remains high.
- ▶ 2017 is clearly off to a strong start. We can conclude that the 55 transactions closed during Q2 is a 23% increase compared to the average from the four previous quarters, and an even stronger increase of 31% compared to the two-year average of 42 deals per quarter.
- ▶ With several pending M&A transactions lined up to be closed during Q3 and later on in Q4, we maintain our view that we will see continued strong deal activity during H2 2017. We therefore increase our year-end projection to 180 closed transactions in total during 2017.

Rolling last twelve months (LTM) transactions



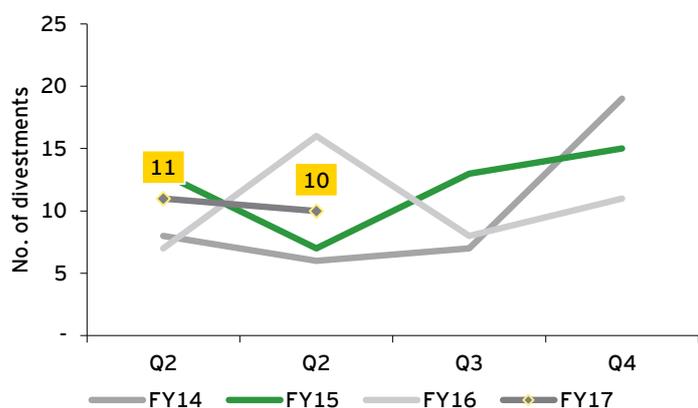
Quarterly data

Year on year quarterly acquisitions



- ▶ Intrum Justitia's acquisition of Lindorff Group and SCA's acquisition of BSN Medical stand out as the largest acquisitions in Q2 2017 ranked by Enterprise Value.
- ▶ In terms of divestments, MTG's divestment of FTV Prima was the largest transaction during the second quarter ranked by Enterprise Value, followed by Telia's divestment of Sergel Group.
- ▶ Nordic targets accounted for 38% of the acquisitions completed in Q2 2017, up from 19% in the previous quarter. In terms of divestments, the share of Nordic targets was down from 55% in Q1 2017 to 40% in Q2 2017.
- ▶ The share of acquisitions in Western Europe decreased by 27 percentage points to 29%, as well as divestments in the region decreased by 26 percentage points to 10%. The US share of total acquisitions rose to 20% in Q2 2017, from 6% in Q1 2017.
- ▶ Manufacturing and construction was the most active sector, representing 49% of acquisitions and 30% of divestments in the second quarter.

Year on year quarterly divestments



Q2 2017 - largest transactions (ranked by Enterprise Value)

Date	Target	Seller	Buyer	Enterprise Value (100%)	Target Turnover
				M€	M€
Acquisitions					
2017-06	Lindorff Group	Nordic Capital	Intrum Justitia	~4 117	~593
2017-04	BSN Medical	EQT Partners	SCA	~2 740	~861
2017-04	MSC Software	Symphony Technology Group	Hexagon	~767	~196
Divestments					
2017-04	FTV Prima	MTG	Denemo Media	~237	~104
2017-06	Sergel Group	Telia	Marginalen	~221	~90
2017-06	Reelcraft Industries	SKF	Madison Industries	~103	~53

Only includes transactions for which an Enterprise Value has been reported or otherwise possible to derive

Size and sector

LTM and 2016/2017 - by size

Acquisitions

Target Turnover	Q3'16	Q4'16	Q1'17	Q2'17	LTM	2016
under M€ 20	22	12	19	26	79	70
M€ 20 - 100	12	8	12	9	41	47
over M€ 100	5	3	1	10	19	19
Total	39	23	32	45	139	136

Divestments

Target Turnover	Q3'16	Q4'16	Q1'17	Q2'17	LTM	2016
under M€ 20	1	1	3	6	5	6
M€ 20 - 100	3	3	3	1	9	16
over M€ 100	4	7	5	3	16	20
Total	8	11	11	10	30	42

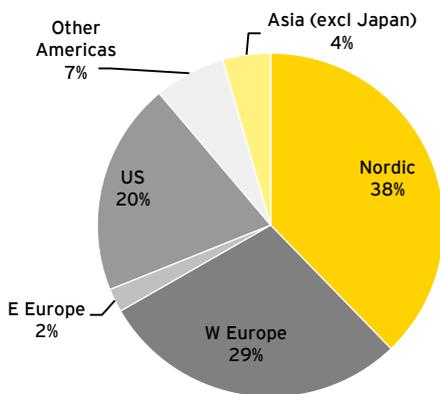
Q2 2017 and LTM - by industry sector and size

Industry sector	Target Turnover Band	Q2'17		Total	LTM	
		Acquisitions	Divestments		Acquisitions	Divestments
Basic industries	under M€ 20	2	-	2	4	-
	M€ 20 - 100	2	-	2	3	1
	over M€100	-	-	-	1	3
Manufacturing and construction	under M€ 20	6	2	18	48	2
	M€ 20 - 100	3	-	3	17	3
	over M€100	3	1	4	5	4
Retail and consumer goods	under M€ 20	1	1	2	5	2
	M€ 20 - 100	3	1	4	11	1
	over M€100	6	-	6	9	-
Finance and real estate	under M€ 20	-	-	-	3	4
	M€ 20 - 100	-	-	-	1	1
	over M€100	2	1	3	3	6
Healthcare	under M€ 20	2	-	2	3	-
	M€ 20 - 100	-	-	-	1	1
	over M€100	-	1	1	-	3
TMT	under M€ 20	1	1	2	6	1
	M€ 20 - 100	-	1	1	-	1
	over M€100	1	-	1	3	2
Services	under M€ 20	2	1	3	8	1
	M€ 20 - 100	-	-	-	7	3
	over M€100	1	-	1	1	1
Total	under M€ 20	24	5	29	77	10
	M€ 20 - 100	8	2	10	40	11
	over M€100	13	3	16	22	19
Total		45	10	56	140	40

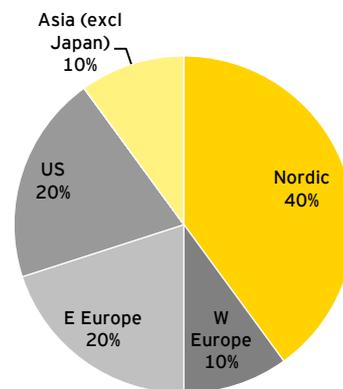
Geographic region

Q2 2017 - by geographic region

Acquisitions

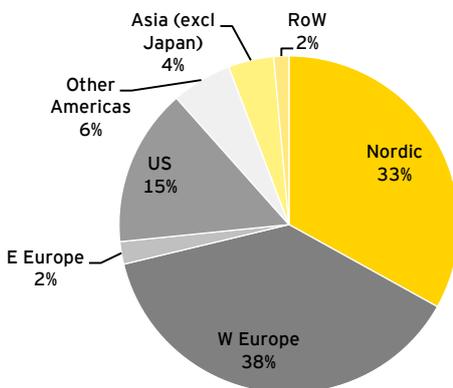


Divestments

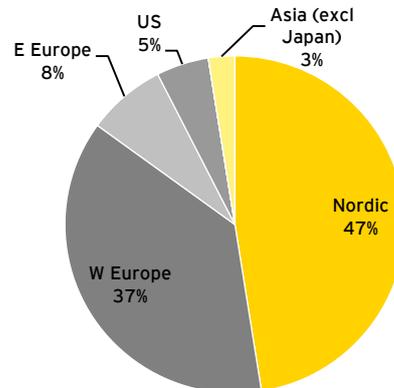


LTM - by geographic region

Acquisitions



Divestments



Transaction Advisory Services - Contacts

Jesper Almström Head of Transaction Advisory Services, Transaction Support	jesper.almstrom@se.ey.com	+46-8-5205 9399
Brian Gonourie Transaction Support	brian.gonourie@se.ey.com	+46-8-5205 9873
Staffan Ekström M&A Advisory	staffan.ekstrom@se.ey.com	+46-8-5205 9390
Staffan Folin M&A Advisory	staffan.folin@se.ey.com	+46-8-5205 9359
Björn Gustafsson Valuation & Business Modelling	bjorn.gustafsson@se.ey.com	+46-8-5205 9497
Henrik Eriksson Operational Transaction Services	henrik.u.eriksson@se.ey.com	+46-8-5205 8715
Kristin Ringland Commercial Advisory Services	kristin.ringland@se.ey.com	+46-70-598 5951
Kristoffer Ståhlbröst Restructuring	kristoffer.stahlbrost@se.ey.com	+46-8-5205 9684
Carsten Kuhlmann Transaction Tax	carsten.kuhlmann@se.ey.com	+46-8-5205 8303

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Transactions covered in this publication are transactions completed by large Swedish companies, defined to mean (i) companies which are listed on the Stockholm Stock Exchange and have a market capitalization over MSEK 5,000; and (ii) other Swedish companies with a turnover of more than MSEK 10,000. Swedish companies that are controlled by foreign groups have been excluded, unless they are headquartered in Sweden. Only transactions completed or declared unconditional in the period with an estimated deal value over approximately 50 MSEK and which have resulted in a change of control or significant change of influence have been included. If large Swedish companies are present on both sides of the same transaction, the transaction is recorded as an acquisition. Public takeovers by third parties and demergers are recorded as divestments.

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