

MERGERMARKET

Nordic trend report

Year-to-date 2015 (up to 16-Mar-2015)

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Country breakdown

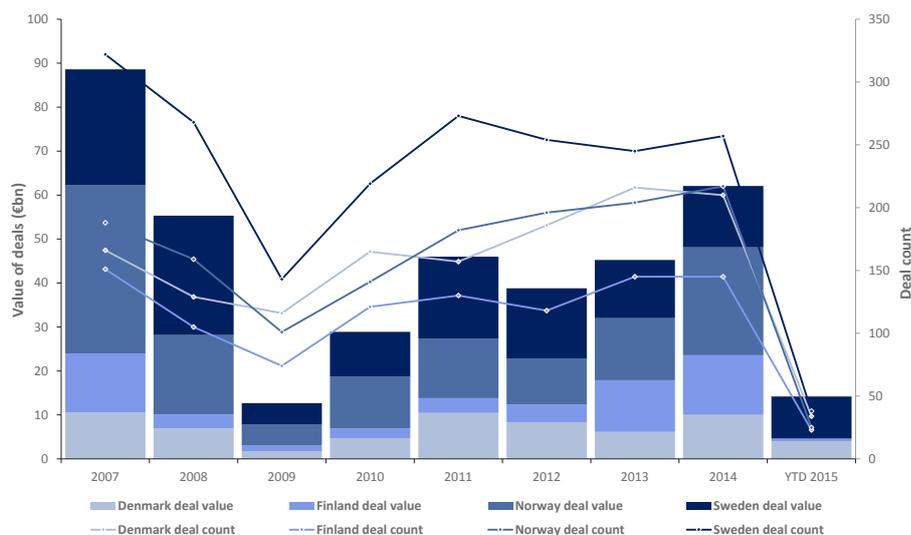
Following a strong 2014 for M&A targeting Nordic countries, Q1 2015 to-date has seen a relatively slow start to the year. In 2014 there were a total of 864 deals valued at EUR 61.7bn within the Nordic region, the highest yearly deal value since 2006 and the highest deal count on Mergermarket record. The total deal value so far in 2015 is EUR 14.2bn and represents a 23.9% decrease compared to the same period in 2014 with 40 fewer announcements.

In terms of deal size, 2015 is only just beginning to see large scale transactions, signalled by the acquisition of Sweden-based Fortum Distribution by a Canadian-based consortium led by Borealis Infrastructure Management for the sum of EUR 6.6bn in mid-March. In fact, the deal is the second highest transatlantic deal targeting a Nordic country on Mergermarket record. As a result of this transaction, the highest valued sector in the Nordic region is the Energy, Mining & Utilities with three deals valued at EUR 6.7bn.

In Q1 2015 to-date, there have been three deals with a value higher than EUR 1bn, compared to four during the same period last year. Although this is not a significant decrease, the large-cap deals have been announced a lot later in the year than usual.

Further demonstrating a resistance to large deals is a substantial difference between the first deal valued below EUR 1bn in 2015 to-date (EUR 340m) compared to that in 2014 (EUR 992m) - there have been no deals with a value between EUR 500m and EUR 1bn targeting the Nordic region so far this year, compared to two deals within this range in 2014 which were also in the higher bracket.

Even though Norway was the most targeted by value during 2014, the country has seen a drop in deal value, while Sweden has attracted the highest level of M&A investment to-date. Sweden has seen EUR 9.5bn-worth of deals so far in 2015, the largest quarterly deal value for the country since Q3 2008 (EUR 10.5bn), and



represents a 28.4% increase in deal value compared to the whole of Q1 2014. The highest valued deals targeting Sweden were two large scale transactions from Canadian (Consortium led by Borealis Infrastructure Management) and Japanese bidders (Canon).

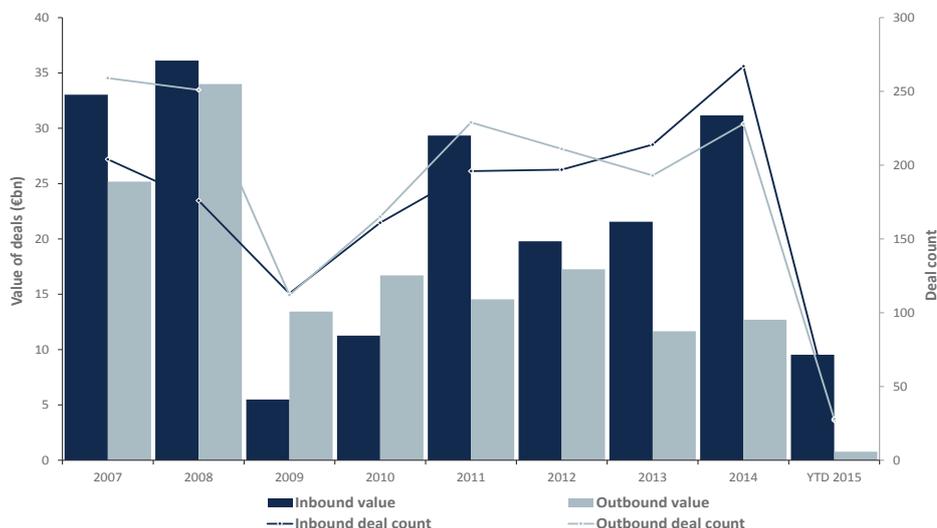
The early onset of such large-scale international interest in the region could be a catalyst for more to follow throughout the year. Almost all of the Nordics' total inbound activity so far this year has come from companies based outside of Europe with deals valued at EUR 9.3bn, marking the third highest quarterly value for this activity on Mergermarket record.

The largest outbound deal was the acquisition of Chile-based energy company Empresa Electrica Pilmaiquen by Norway's Stakraft for the sum of EUR 367m. By contrast to inbound deals where Sweden was the prime target, Norway has been the most active country in terms of outbound M&A, including the top three deals targeting companies outside of the region.

Global private equity exit activity saw a vast increase last year and the trend has filtered into the Nordics in 2015 with 18 exits worth EUR 391m, up 112.9% by value with five more announcements. Sweden and Denmark have accounted for the bulk of the increased

level of exit activity in the Nordics, with both seeing an increase compared to the same period in 2014.

Cross-border M&A trend



Nordic trend report

Top deals

Value (€m)	Ann. date	Target company	Bidder company	Seller company
6,636	13-Mar-15	Fortum Distribution AB	Consortium led by Borealis Infrastructure Management Inc	Fortum Oyj AB
3,552	25-Feb-15	Danske Bank A/S	AP Moller Holding A/S	AP Moller - Maersk A/S
2,436	10-Feb-15	Axis AB	Canon Inc	
340	15-Jan-15	Metso Oyj (Process Automation Systems)	Valmet Corporation	Metso Oyj
212	15-Jan-15	Cederroth International AB	Orkla ASA	Capman PLC

Nordic trend report

Mergermarket criteria

All data is based on transactions over US\$ 5m and is based on Mergermarket's M&A deals database. Deals with undisclosed deal values are included where the target's turnover exceeds US\$ 10m.

Deals where the stake acquired is less than 30% will only be included if the value is greater than US\$ 100m. Click [here](#) for the full deal criteria.

M&A trend: Based on the dominant geography of the target company being one of the Nordic countries (Denmark, Finland, Norway, Sweden). Excludes lapsed and withdrawn bids.

Cross-border M&A:

Inbound refers to cross-border M&A where the dominant geography of the target company is Nordic, and the dominant geography of the bidder is any other country excluding Nordic all Nordic countries.

Outbound refers to cross-border M&A where the dominant geography of the bidder company is Nordic, and the dominant geography of the target is any other country excluding all Nordic countries.

Excludes lapsed and withdrawn bids.

Top deals: Based on the dominant geography of the target company being Nordic.

All values are in €.

Year-to-date data ran from 01-Jan to 16-Mar 2014/2015.

Data correct as of 18-Mar-2015

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