



Transaction Trends

Swedish M&A update – Q3 2024

Improved transaction volumes paves the way for continuous momentum



Quarter summary

326

of transactions
announced

Highlights | [Page 3](#)

\$138m

Average disclosed deal
value

Highlights | [Page 4](#)

23%

Share of PE/VC deals

Highlights | [Page 4](#)

28%

Share of foreign buyers

Transaction geography | [Page 7](#)

**Advanced
Manufacturing &
Mobility**

Most active industry with
129 deals

Industry trends | [Page 9](#)

7

New listings on Nasdaq
Stockholm

Market update | [Page 10](#)

Transaction Trends, published by EY Strategy and Transactions, is a quarterly publication that aims to identify trends in the Swedish M&A market.

The newsletter reflects all quarterly transactions involving a Swedish target, buyer, or vendor, based on data presented by Mergermarket and Capital IQ. This makes Transaction Trends the most comprehensive transaction newsletter available for the Swedish market. We hope that you find this newsletter useful and that you will follow our coming quarterly updates.

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The Transaction Trends Editorial Team

Robust deal volumes with strategic transactions paving the way

During Q3 2024, we observed **326 transactions** in the Swedish M&A market, higher than Q3 2023 (290), with deal volumes up c. **12% YoY**.

LTM deal activity amounts to **1,336 transactions**, mainly driven by **AM&M** that witnessed a surge of **93%** compared to Q3 2023. The number of deals are higher than Q3 2023 and the average deal value has increased.

Moving into the fourth quarter of 2024, the markets are trading on the recent interest rate cuts from the central banks, as well as speculating on what and when the next cut will come. The autumn will, among many factors, be defined by the outcome of the **US presidential election** in November, **the tension in the middle east**, and **decreasing interest rates**.

Transaction activity in Sweden indicates a recovery in Q3 2024, even as the current market environment (e.g., financing and global uncertainties) remains challenging.

The transaction markets continues to be affected by **high interest rates, valuation gaps and a stricter financing environment**. However, the underlying appetite for deals remains strong, and the commenced cut of interest rates can lead to less of a valuation gap between buyers and sellers.

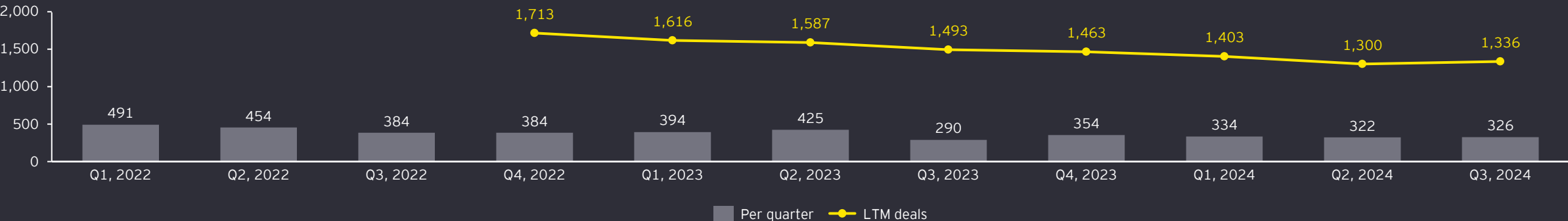
Strategic transactions remain a **pivotal element** in the current market landscape, as evidenced by the recent announcement of **SKF's decision to spin off its automotive business**.

PE activity by Swedish PEs remains flat on a yearly comparison but are down QoQ. Whilst number of deals are up between the quarters, the amount of PE driven deals have decreased from c. **28% to 23%**.

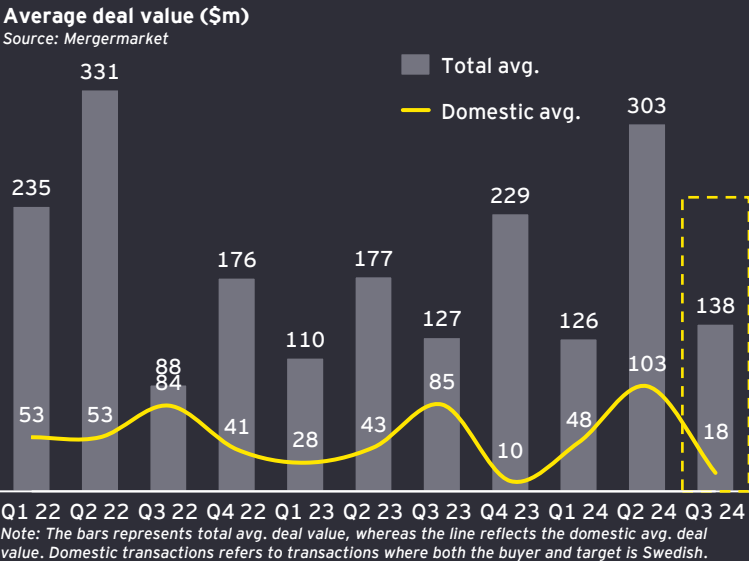
As the stock market approaches all-time highs, private market players are seeking similar valuation multiples. However, the current less attractive nature of IPOs, even amidst strong stock market performance, strengthens the negotiating position of buyers. This divergence in valuation between the public and private continues to push the existing valuation gap.

The low number of new IPOs continued in Nasdaq Stockholm. Whilst the sentiment is still lagging in Sweden, activity is picking up as corporates have been starting to consider IPO preparations which could lead to increased activity in 2025.

LTM number of transactions in the Swedish M&A market
Source: Mergermarket, EY analysis



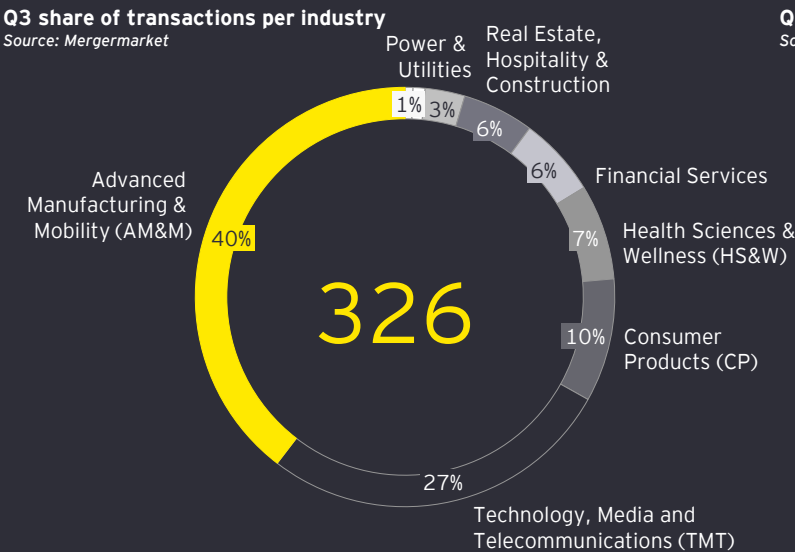
Quarter highlights



Transactions this quarter

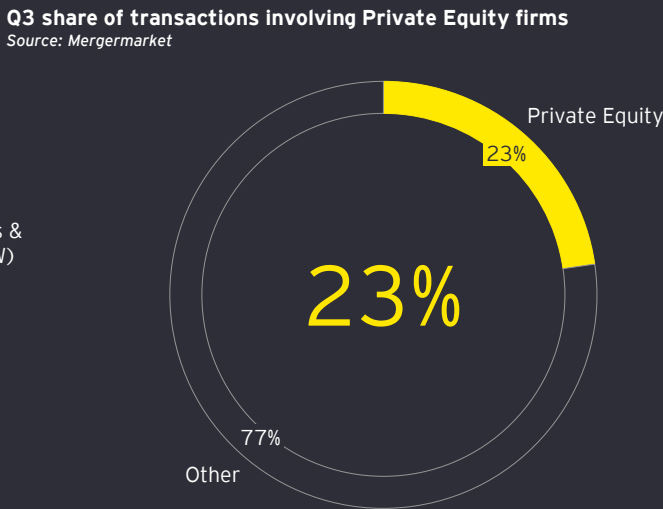
The number of transactions observed in the quarter amounted to 326. The average deal value stands at **\$138m** based on **90** transactions with announced deal values. Seven of the 90 transactions have a deal value greater than **\$500m**.

During the quarter, the reported average deal value for domestic transactions **fell short of both preceding quarters and yearly averages**. Although there were 29 domestic deals with disclosed values, the size of these transactions was relatively modest.



Deals per industry

Deal activity in Q3 2024 saw a notable increase on a total level but varied across industries compared to Q2 2023. In the observed quarter, **AM&M** contributed the most, both in terms of number of deals (40%) and growth on a QoQ basis (93%), followed by **TMT** (27%) and **CP** (10%).



PE deal activity

Private Equity participation accounted for **23% share** of the total transactions, roughly five percentage points lower than during **Q3 2023 (28%)**. PE participated in **74** transactions during the quarter, compared to **81** in Q3 2023.

Despite PEs decent performance, there is still a considerable amount of undeployed capital, as PE firms encounter obstacles in allocating funds to **attractive investments**. Narrowing the valuation gap between buyers and sellers is essential for PE to increase its participation in the market.

Key global transactions this quarter across industries

	1	2	3	4	5	Avg.
Deal value*	2 075m	1 010m	898m	665m	Undisclosed	138m
Description	EQT is set to acquire a majority stake in Acronis International GmbH , a Swiss company specializing in cloud backup and data protection solutions. The deal is pending customary regulatory approvals. The acquisition is expected to be finalized between Q1 and Q2 of 2025.	Koch Equity Development LLC has agreed to purchase an 83.3% stake in iconectiv LLC from Ericsson . The transaction is slated for completion in the first half of 2025, pending regulatory approvals and customary closing conditions.	AP Moller - Maersk AS is set to acquire Concentric AB , a Swedish manufacturer of fluid power technology products , including pumps and hydraulic systems. The board has unanimously recommended the offer to its shareholders, with the acceptance period ending 1 November 2024.	Advanced Micro Devices Inc (AMD), a US leading provider of integrated circuits is set to acquire Silo AI Oy , a Finnish artificial intelligence company, from Altor Equity Partners AB . The acquisition is anticipated to close in the second half of 2024.	In August, IK Partners announced the sale of Carspect Group , a leading provider of vehicle inspection services in Sweden, Estonia, and Latvia to TÜVSÜD, a Germany based technical testing services provider.	This quarter, the average deal value (for transactions with reported deal values) was \$138m. The number of transactions with reported deal value amounted to 90 out of 326 transactions announced.
Industry	TMT	TMT	AM&M	TMT	Consumer Products	

*Please note that figures are in USD, if not stated otherwise.
Source: Mergermarket, company websites.

Key domestic transactions this quarter across industries

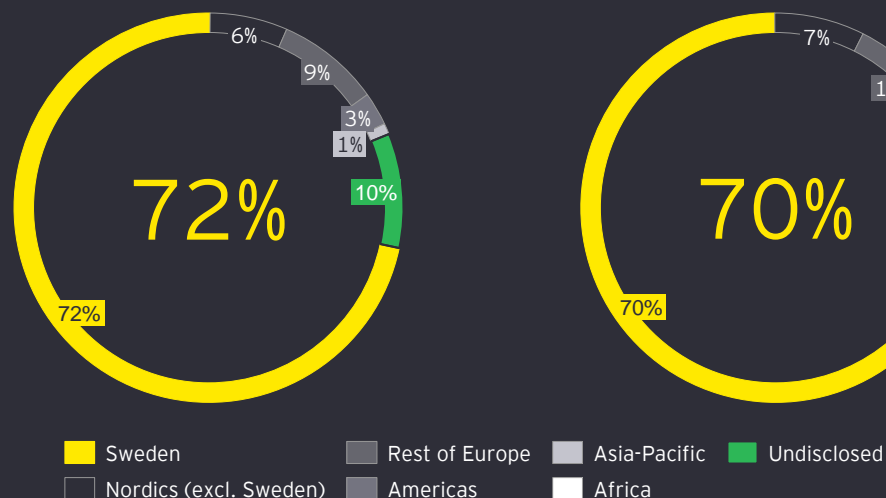
	1	2	3	4	5	Avg.
Deal value*	91m	56m	54m	Undisclosed	Undisclosed	18m
Description	Colony Real Estate AB, the Sweden based property company, is to acquire the remaining stake of Fleming Properties AB, the local real estate company focused on owning and managing office properties.	Brave Warrior Advisors, the US based hedge fund, and Christian von Koenigsegg has acquired an undisclosed stake in Koenigsegg Automotive AB, the Swedish sportscar manufacturer.	An investor group, including Svenska Handelsbanken AB, AstraZeneca, AMF Pensionsfoersaekring and others, has acquired a 9% stake of SmartCella Holding AB, the Sweden based medtech and biotechnology firm, as part of a funding round.	Meliva Sweden, a healthcare provider based in Sweden has successfully completed the acquisition of Cevitagruppen AB, a leading gynaecology operator in Region Stockholm and Västra Götaland. The terms of the deal were undisclosed.	Management and undisclosed set of buyers have acquired a majority stake in Intersport AB, sporting goods retailer, from Adelis Equity Partners. The terms of the deal were undisclosed.	<p>This quarter, the average deal value (for domestic transactions with reported deal values) was \$18m.</p> <p>The number of domestic transactions with reported deal value amounted to 29.</p>
Industry	Real Estate, Hospitality & Construction	AM&M	Health Sciences & Wellness	Health Sciences & Wellness	Consumer	

*Please note that figures are in USD, if not stated otherwise.
Source: Mergermarket, company websites.

Transaction geography

Buyer region, Q3 2024

Source: Mergermarket, S&P Capital IQ

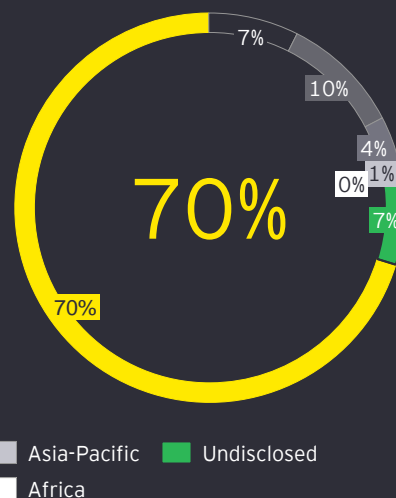


Buyer region

Swedish buyers were involved in **72%** of the transactions made in **Q3 2024**, a 6-p.p. uptick compared to the corresponding quarter in 2023 (66%). Dealmaking thus far in 2024 has seen higher share of Swedish buyers, compared to the second half of 2023.

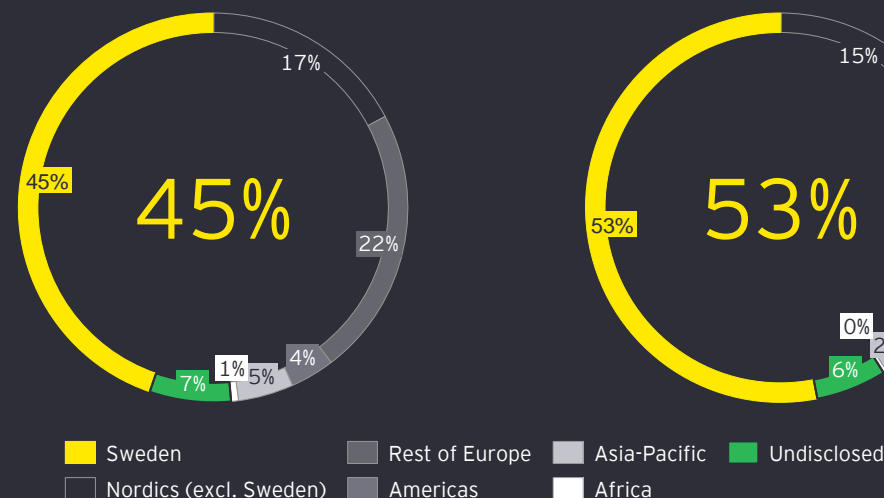
LTM buyer region per Q3 2024

Source: Mergermarket, S&P Capital IQ



Target region, Q3 2024

Source: Mergermarket, S&P Capital IQ



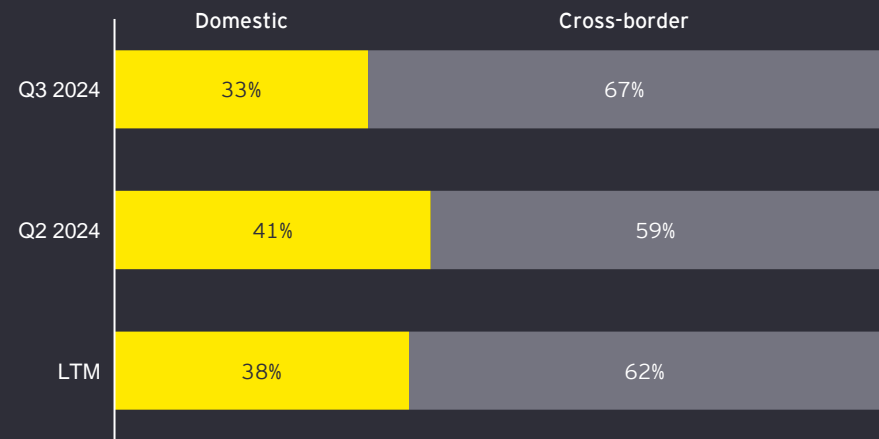
Target region

In Q3 2024, the proportion of Swedish targets **dropped to 45%**, marking a notable decline from the **57%** observed in Q3 2022 and 2023. The diminishing transactional barriers within Europe suggest that a Swedish target is increasingly seen as a European target. Moreover, as the operational performance of the PE portfolios has gained attention, resilient businesses are attracting the most interest, prompting investors to look beyond national borders.

Transaction arena

Share of domestic vs. cross-border transactions

Source: Mergermarket, S&P Capital IQ



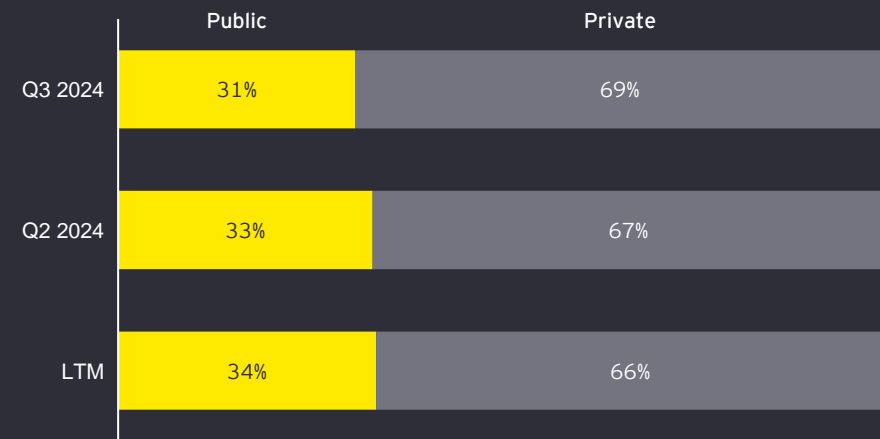
Transaction geography

Domestic transaction activity experienced a notable decrease from the previous quarter (41%) and fell marginally short of last years Q3 figure (35%). Throughout the quarter, a downturn in domestic transactions was observed across most sectors, except for Power and Utilities and Real Estate, Hospitality & Construction, which saw a slight uptick (see more on p.9).

The average disclosed deal value for cross-border transactions in the quarter rose to \$195m, an increase from the \$142m reported in Q3 2023. This uptick is largely attributed to significant deals such as EQT’s acquisition of Acronis International and Ericsson’s divestiture of iconective.

Share of public* vs. private transactions

Source: Mergermarket, S&P Capital IQ



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

Transaction type

The share of public transactions in Q3 2024 (31%) was roughly in line with Q2 2024 (34%). The balance between public and private transactions has since Q1 2022 remained intact, with a c. 70/30 ratio.

Activity by industry

Activity by Industry

Industry	# of transactions						Domestic transactions as % of total deals			PE / VC as % of total deals		
	2022	2023	Qtr. Avg. 22-24	Q3 2023	Q3 2024	Q3 Trend	2022	2023	Q3 2024	2022	2023	Q3 2024
Advanced Manufacturing & Mobility	464	357	98	67	129	↗	44%	46%	39%	13%	11%	11%
Consumer Products	217	160	36	40	31	↘	44%	46%	39%	20%	26%	26%
Financial Services	58	53	16	11	20	↗	45%	47%	10%	33%	36%	30%
Government, Public Sector & Organisations	17	12	3	2	2	→	53%	58%	100%	18%	25%	-
Health Sciences & Wellness	147	120	32	25	24	→	35%	38%	42%	27%	34%	17%
Oil & Gas	9	7	2		3	n.a.	11%	14%	-	0%	14%	33%
Power & Utilities	35	37	8	9	10	→	29%	24%	40%	31%	30%	30%
Real Estate, Hospitality & Construction	65	79	17	21	18	↘	42%	35%	33%	29%	28%	28%
TMT	409	354	82	70	89	↗	34%	35%	25%	30%	27%	37%
Undisclosed	292	284	61	45		n.a.	46%	46%	-	18%	19%	-
Total	1,713	1,463	354	290	326		41%	42%	33%	22%	22%	23%

Source: Mergermarket, S&P Capital IQ

Note: A domestic transaction requires both the target and bidder to be Swedish.

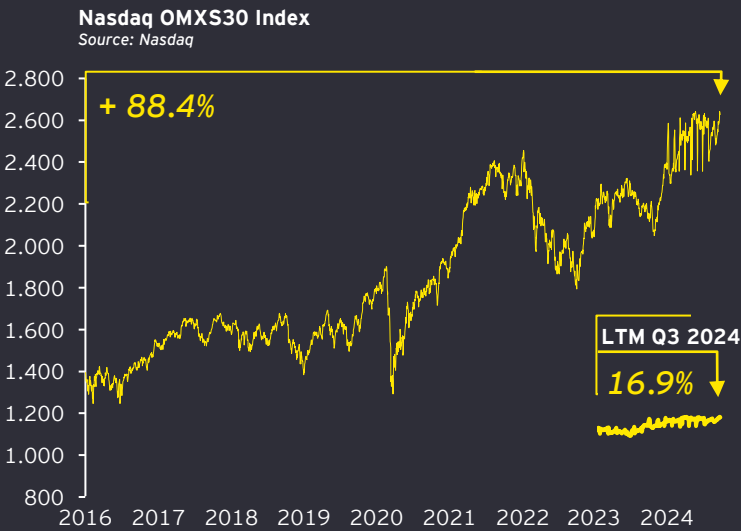
Industry activity

Deal activity in Q3 2024 saw a notable increase in number of transactions, primarily driven by a **surge in activity within AM&M**. However, the proportion of **domestic transactions came in significantly lower** than the full-year figures for previous years.

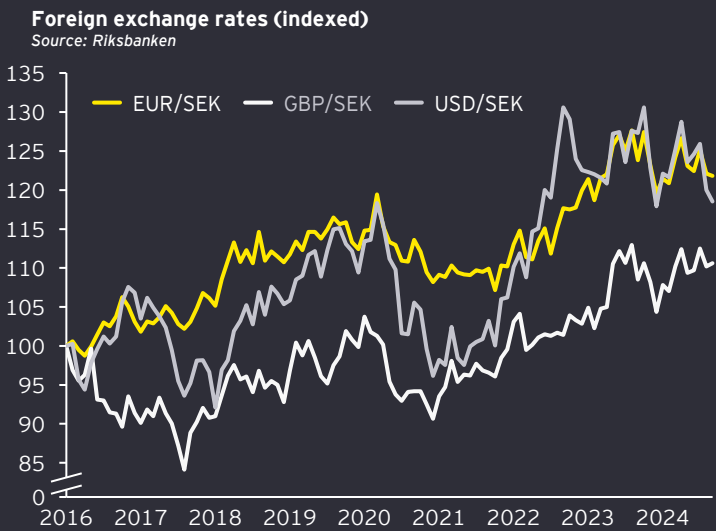
The number of transactions within the Financial Services sector **nearly doubled** compared to the same quarter of the previous year. However, **domestic involvement** in this sector was markedly below the yearly averages (10%). Financial Services was not the only sector to experience a reduced domestic presence; the only sectors that saw an increase were **Health Science & Wellness (HSW)** and **Power & Utilities**.

The proportion of PE/VC involved deals in the quarter remained consistent with the averages of previous years, showing **no significant variation**.

Market update

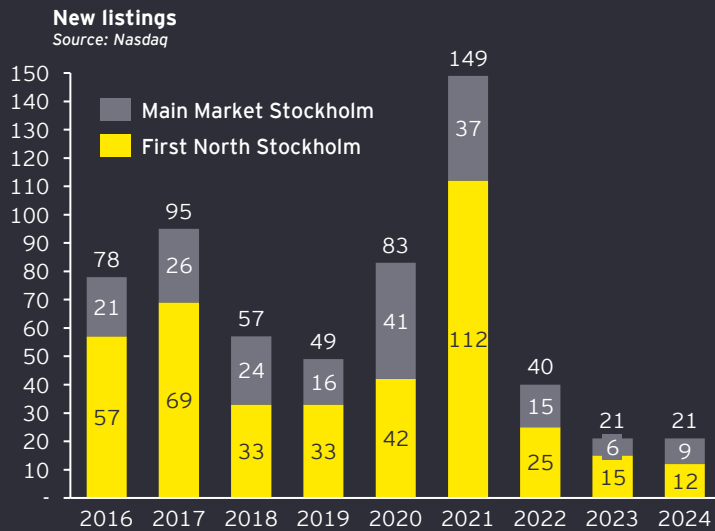


Over the LTM, the Swedish stock market has experienced **high volatility** due to global uncertainties, including tensions in the Eastern Europe and Middle East, fluctuations in the interest rates, and the dynamics of an election year. Despite these challenges, the market **has demonstrated resilience with a robust willingness to invest in equities**, with the OMXS30 index achieving a substantial year-to-date gain of c. 9.7%, of which c. 1.6% occurred in Q3 2024.



In September, the **Federal Reserve** initiated the move by cutting the interest rate by 50 basis points (bps). Following this, Riksbanken decided to **lower its rate by 0.25 p.p.**, bringing it down to 3.25%. Should the current inflation and economic outlook persist, further interest cuts may occur at the year's two remaining monetary policy meetings, with a **potential cut of 0.5 p.p.** at one of the meetings.

The forecast also points to the likelihood of **one or two additional rate cuts** in the first half of 2025, indicating a shift towards a **quicker pace** of policy rate reductions than previously communicated.

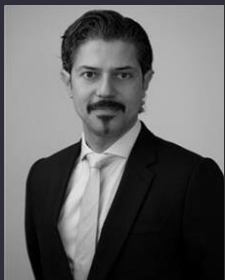


In Q3 2024, the **US and EMEA** saw positive **IPO activity**, while a sharp **downturn in Asia**, particularly in China, contributed to a global decline of approximately **14%** in the number of IPOs.

Sweden recorded **a modest number of IPOs** during this period, reaching a total of 10 for the first nine months of the year. The market currently shows a preference for companies with **robust cash flows**, typically well-established industrial companies.

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About this publication

Transaction Trends is a quarterly publication that aims to identify trends in the Swedish transactions market. Transactions covered in this publication are public and private transactions where either the buyer, target or vendor are based in Sweden. 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 (if available). 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 Nasdaq Stockholm. Please note that the data presented in this newsletter is based on data sourced on a quarterly basis (extracted on the first week of the following quarter), and that the historical data points presented (for example the number of deals in Q4 2023) 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. During Q2 2024 we have gone through the historical dataset and reclassified some of the deal industries.

Transaction Trends is published by EY Strategy and Transactions.



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