

VINGE



# Takeovers in Sweden 2019

A continued high M&A activity on the Swedish capital market

**February 2020**

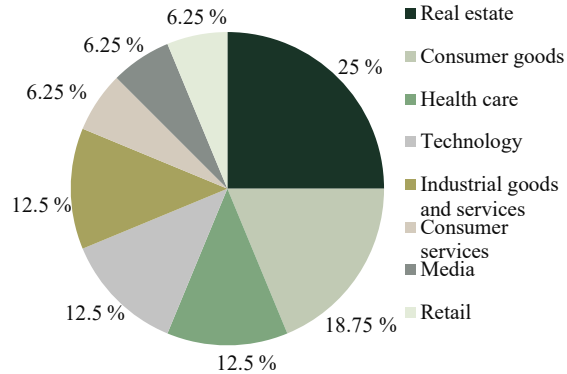
# Overview on takeovers in Sweden 2019

Vinge annually compiles statistics regarding takeovers, including mergers, on the Swedish market places, e.g. with regard to bid prices, premiums and sectors. Leaving 2018, the busiest year in the Swedish capital market in the last decade, behind, the high M&A activity has continued. During 2019, we continued to see both financial and industrial, both Swedish and international, parties being active as bidders. Out of in total 20 takeovers, the majority were cash offers, with only four being share-for-share offers and one being a combined offer. Below and on the following pages, we have summarised additional observations for 2019.

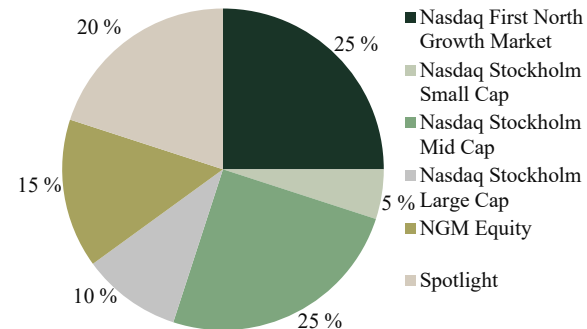
TOPIC	TAKEAWAYS
Market places	<ul style="list-style-type: none"> <li>• While both Nasdaq Stockholm and Nasdaq First North Growth Market saw a decrease in the number of takeover bids compared to 2018, there was an increase in the number of takeover bids on both NGM Equity and Spotlight.</li> <li>• Five takeovers were announced on Nasdaq First North Growth Market and eight takeovers were announced on Nasdaq Stockholm. Nasdaq Stockholm thereby replaced Nasdaq First North Growth Market as the most active market place for takeovers in 2019.</li> </ul>
Sectors	<ul style="list-style-type: none"> <li>• During 2019, we saw takeover bids in a wide variety of sectors. Real estate followed by consumer goods were the most active ones.</li> </ul>
Deal value	<ul style="list-style-type: none"> <li>• The three bids with the highest deal value were Hemfosa – SBB (MSEK 23,521), Hembla – Vonovia (MSEK 19,979) and Oriflame – Walnut (MSEK 12,853).</li> <li>• The median deal value of all takeover bids in Sweden during 2019 amounted to MSEK 1,029, with an average of MSEK 3,841.</li> </ul>
Bid premiums	<ul style="list-style-type: none"> <li>• The median bid premium compared to the closing price on the last day of trading before the announcement of the bid amounted to 30.0 %, with an average of 35.6 %. This was an increase of 14.3 and 12.9 percentage points, respectively, compared to 2018.</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>• The conditions for completion of the bids were in essence standard, including the offeror being granted requisite regulatory approvals and the offeror achieving a holding of more than 90 % of the shares in the target company. However, there were also two bids during 2019 where the bidder conditioned the bid on a holding of more than 70% of the shares in the target company.</li> </ul>
Rulings from the Swedish Takeover Panel	<ul style="list-style-type: none"> <li>• The high M&amp;A-activity resulted in a number of rulings from the Swedish Takeover Panel (Sw. <i>Aktiemarknadsnämnden</i>) regarding, among other things, the possibility for the bidder to stipulate a completion condition regarding a refinancing of the target company's operations (Ruling 2019:02) and the importance of disclosing accurate, relevant and clear information to the market, as well as retaining experts who are well familiar with the Swedish capital market and applicable rules (Ruling 2019:33).</li> </ul>
Vinge as legal advisor	<ul style="list-style-type: none"> <li>• Vinge was the legal advisor to either the bidder or the target company in 35 % of all takeovers on the Swedish market places (representing 89 % of the total deal value 2019).</li> </ul>

# Key takeover statistics in 2019\*

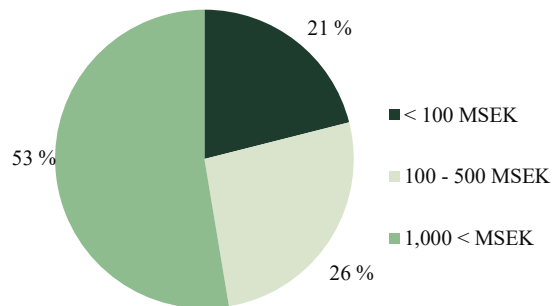
## Sectors\*\*



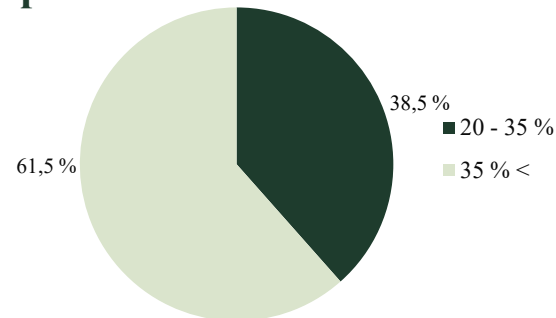
## Market places



## Deal value



## Bid premiums\*\*\*



\* based on the number of deals (not deal value).

\*\* as defined by Nasdaq Stockholm. Companies traded on Spotlight have not been included in the chart, as Spotlight does not sort companies by sectors.

\*\*\*compared to the closing price on the last day of trading before the announcement of the bid. Mandatory offers have been excluded from the chart.

# Key takeaways

1. The number of takeovers decreased slightly on Nasdaq Stockholm and Nasdaq First North Growth Market during 2019 compared to 2018, but increased on NGM Equity and Spotlight. Compared to the last ten years, the number of takeovers is still high considering the number of announced bids.
2. Preparation is key for both bidders as well as potential target companies in order to secure an efficient process. For bidders, this includes considerations such as pre-bid anti-trust analysis, stake building, financing, irrevocable, conditions for completing the contemplated bid and pre-acquisition due diligence. In order for a target company to minimize the risk of disruptions of operations and information leakage in relation to a takeover, it is recommended that the board prepares a company-specific takeover response manual to assist the board in connection with takeovers.
3. A revision of the Swedish Takeover Code is ongoing, with the main purpose to make amendments necessary due to the new EU Prospectus Regulation and its supplementary regulations. The new rules are envisaged to be published later this year.
4. There was an increase in the bid premiums during 2019 compared to 2018. In 2019, the median bid premium compared to the closing price on the last day of trading before the announcement of the bid amounted to 30.0 %, with an average of 35.6 % whilst the median bid premium compared to the closing price on the last day of trading before the announcement of the bid amounted to 15.7 %, with an average of 22.7 % in 2018.
5. Vinge is the leading law firm in Sweden advising on takeovers, both on the bidder and the target side. Through our involvement in most Swedish large and complex takeovers in recent years, Vinge's lawyers have experience of, and understand, all aspects of a takeover.

# Selected Capital Markets & Public M&A Transactions

## (1/2)

 <p>Adviser to Net Insight AB in the divestment of the Streaming Solution business area (Sye) to a Fortune 500 company</p> <p>2020</p>	 <p>Advisee to Industrifonden and Investor in connection with a sale of shares in Calliditas</p> <p>2020</p>	 <p>Advisee to Azelio in connection with its rights issue</p> <p>2019</p>	 <p>Adviser to AMF and Folksam on re-investment in Volvo Cars</p> <p>2019</p>
 <p>Adviser to IRLAB Therapeutics in connection with share issues</p> <p>2019</p>	 <p>Adviser to Xspray in connection with a directed share issue</p> <p>2019</p>	 <p>Adviser to Nordea and Citigroup on directed share issue in Better Collective</p> <p>2019</p>	 <p>Adviser to Vostok New Ventures Ltd in connection with an investment in Voi</p> <p>2019</p>
 <p>Adviser to Gränges in conjunction with rights issue</p> <p>2019</p>	 <p>Adviser to Lantmännen in connection with issue of subordinated debentures</p> <p>2019</p>	 <p>Adviser to Hembla in connection with Vonovia's mandatory cash offer</p> <p>2019</p>	 <p>Adviser to Samhällsbyggnadsbolaget in connection with its offer for Hemfosa</p> <p>2019</p>
 <p>Adviser to SEB in connection with the issuance of Additional Tier 1 Capital of USD 900 million</p> <p>2019</p>	 <p>Adviser to Vicore Pharma in connection with a directed share issue of approximately SEK 125 million</p> <p>2019</p>	 <p>Adviser to Pandox in connection with a directed share issue of approximately SEK 3 billion</p> <p>2019</p>	 <p>Adviser to Aprea Therapeutics in connection with its listing on Nasdaq New York</p> <p>2019</p>

# Selected Capital Markets & Public M&A Transactions

## (2/2)



Adviser to Samhällsbyggnadsbolaget in connection with its listing on Nasdaq Stockholm

2019



Adviser to Vicore Pharma in connection with its list change from Nasdaq First North Growth Market to Nasdaq Stockholm

2019



Adviser to EQT in connection with the IPO on Nasdaq Stockholm

2019



Adviser to Oncopeptides in connection with a directed share issue in June

2019



Adviser to Equinor in connection with divestment of shares in Lundin Petroleum and investment

2019



Adviser to Calliditas in connection with a directed share issue

2019



Adviser to Ambea on a rights issue

2019



Adviser to Veoneer in connection with its USD 600 million capital raise

2019



Adviser to Nuevolution in connection with the cash offer to the shareholders in Nuevolution by Amgen

2019



Adviser to Oriflame in connection with the offer from the af Jochnick family

2019



Adviser to Creades on its sale of shares in Lindab

2019



Adviser to FinanZero in connection with a directed share issue

2019



Adviser to CGI on its offer for Acando

2019



Adviser to Vostok New Ventures Ltd in connection with a split and redemption procedure

2019



Adviser to Cavotec SA in connection with a rights issue

2019



Adviser to Oncopeptides in connection with a directed share issue in January

2019

# Contact details

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