



# Nordic Tech Landscape

*April, 2016*

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**Public Market Update**

**2**

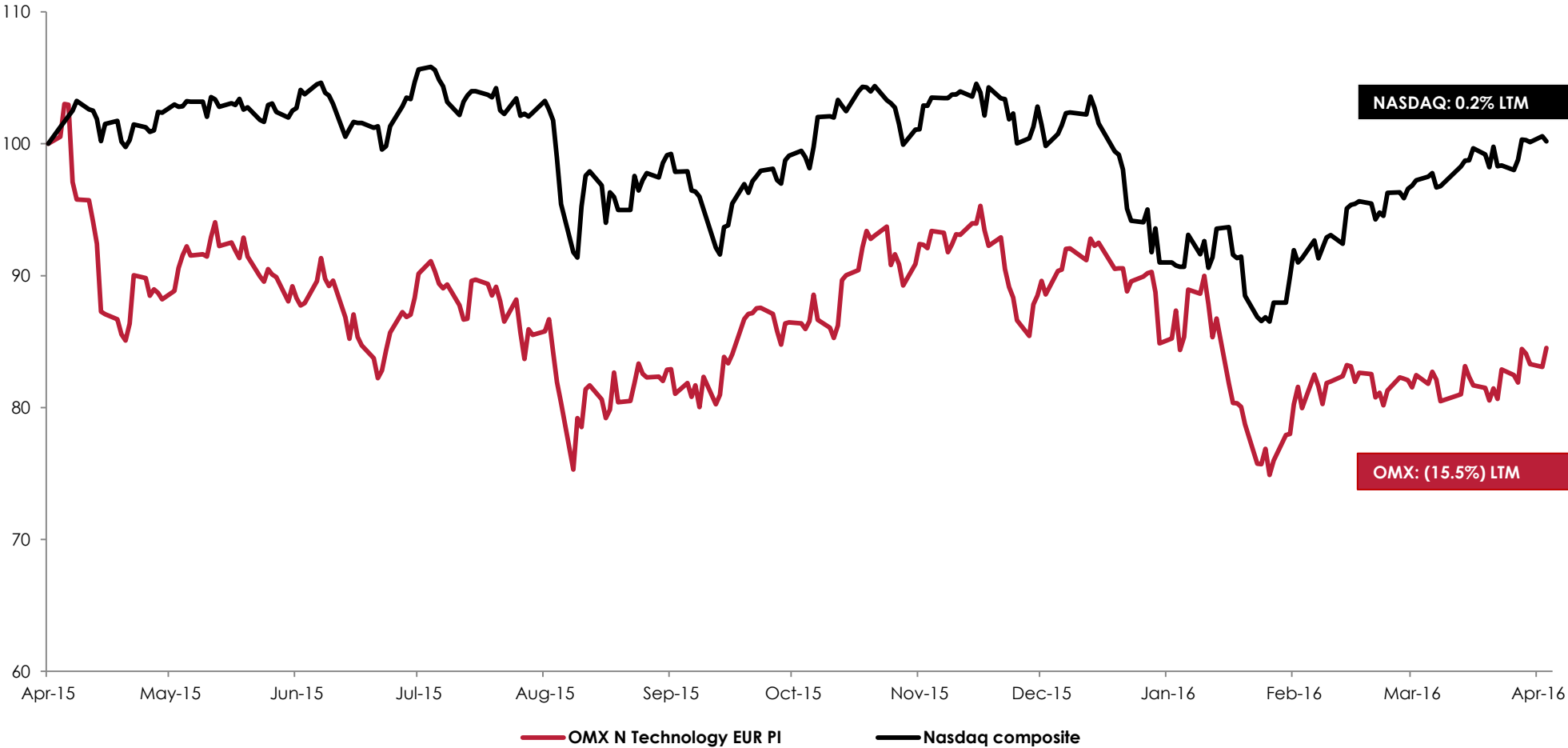
Private Market Update

**3**

Underlying Factors Contributing to Nordic Success

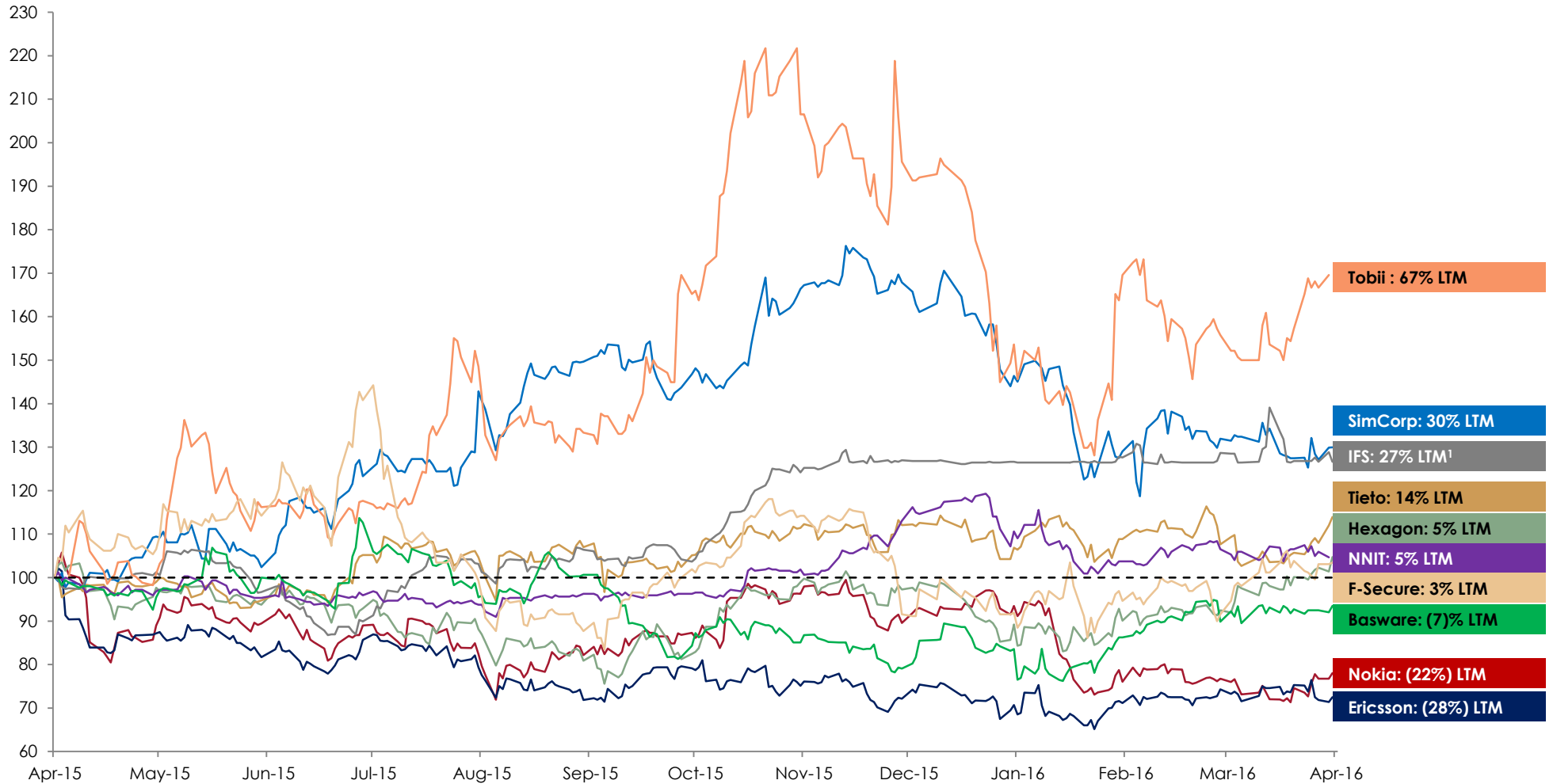
# Nordic Tech Index Performance

OMX Tech Index vs US Nasdaq



# Nordic Tech Stocks Development

Technology Stocks Development – Top 10 by Market Cap\*



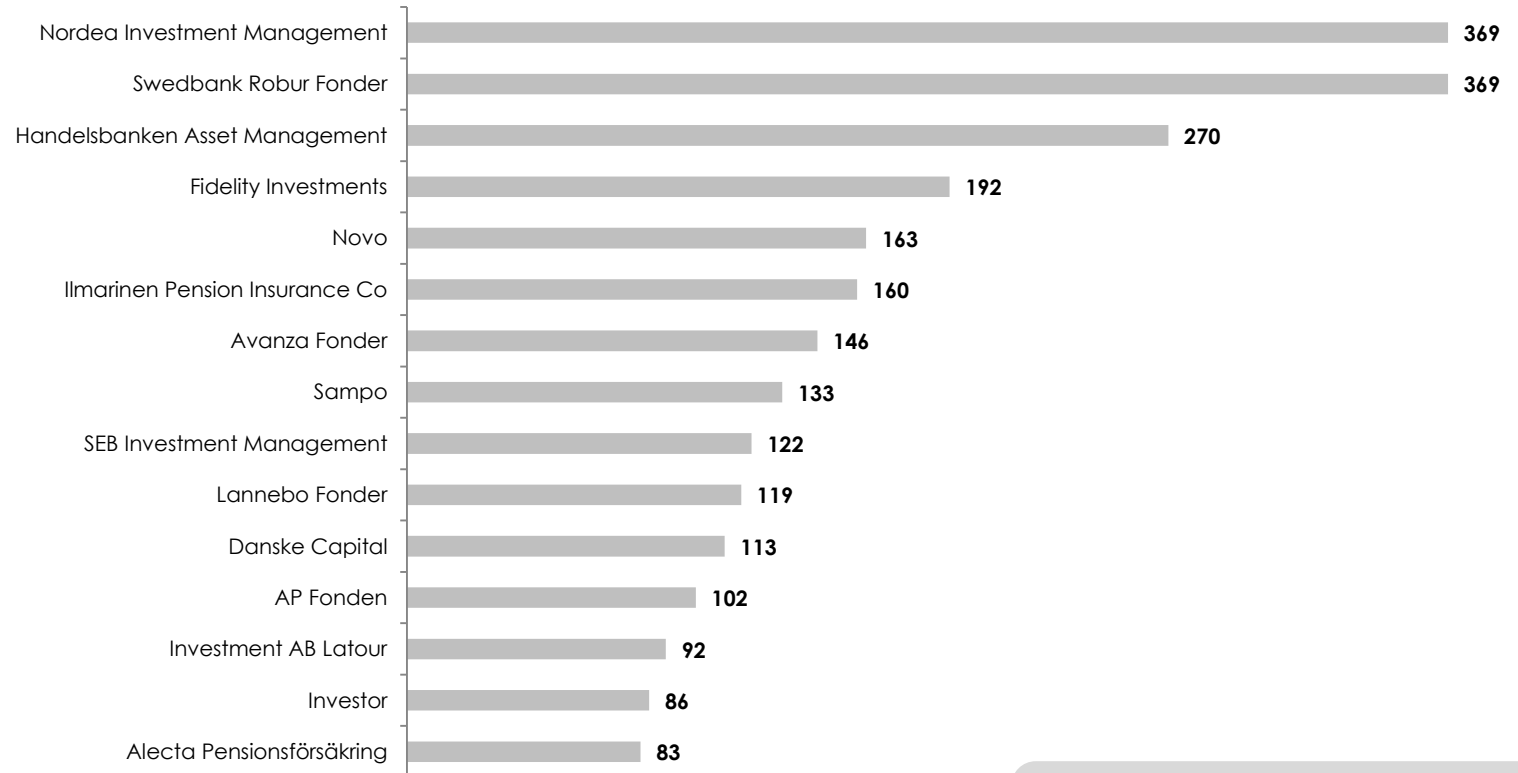
# Nordic Public Tech Comparables

## *Nordic Technology Comparables*

Company Name	Market Cap (USDm)	EV/Revenue CY16E	EV/EBITDA CY16E
<b><u>Nordic Tech - Top 10</u></b>			
Nokia	36,072	0.9x	7.6x
Ericsson	31,767	0.9x	5.9x
Hexagon	14,938	4.6x	15.2x
Fingerprint Cards*	4,494	4.4x	11.7x
Tieto	2,085	1.2x	8.8x
SimCorp	1,627	4.8x	20.1x
Industrial and Financial Systems, IFS	1,106	NA	NA
Basware	636	3.3x	NM
Tobii	626	4.5x	NA
NNIT	623	1.4x	8.9x
F-Secure	477	2.1x	12.3x
<b>Average</b>		<b>2.8x</b>	<b>11.3x</b>
<b>Median</b>		<b>2.7x</b>	<b>10.3x</b>

# OMX Nordic Tech – Mid-Cap Largest Institutional Public Investors

*Top 15 Institutional Investors in Nordic Public Technology Companies (USDm)*



**Total market capitalisation held by institutions equals USD 5.9bn**

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Public Market Update

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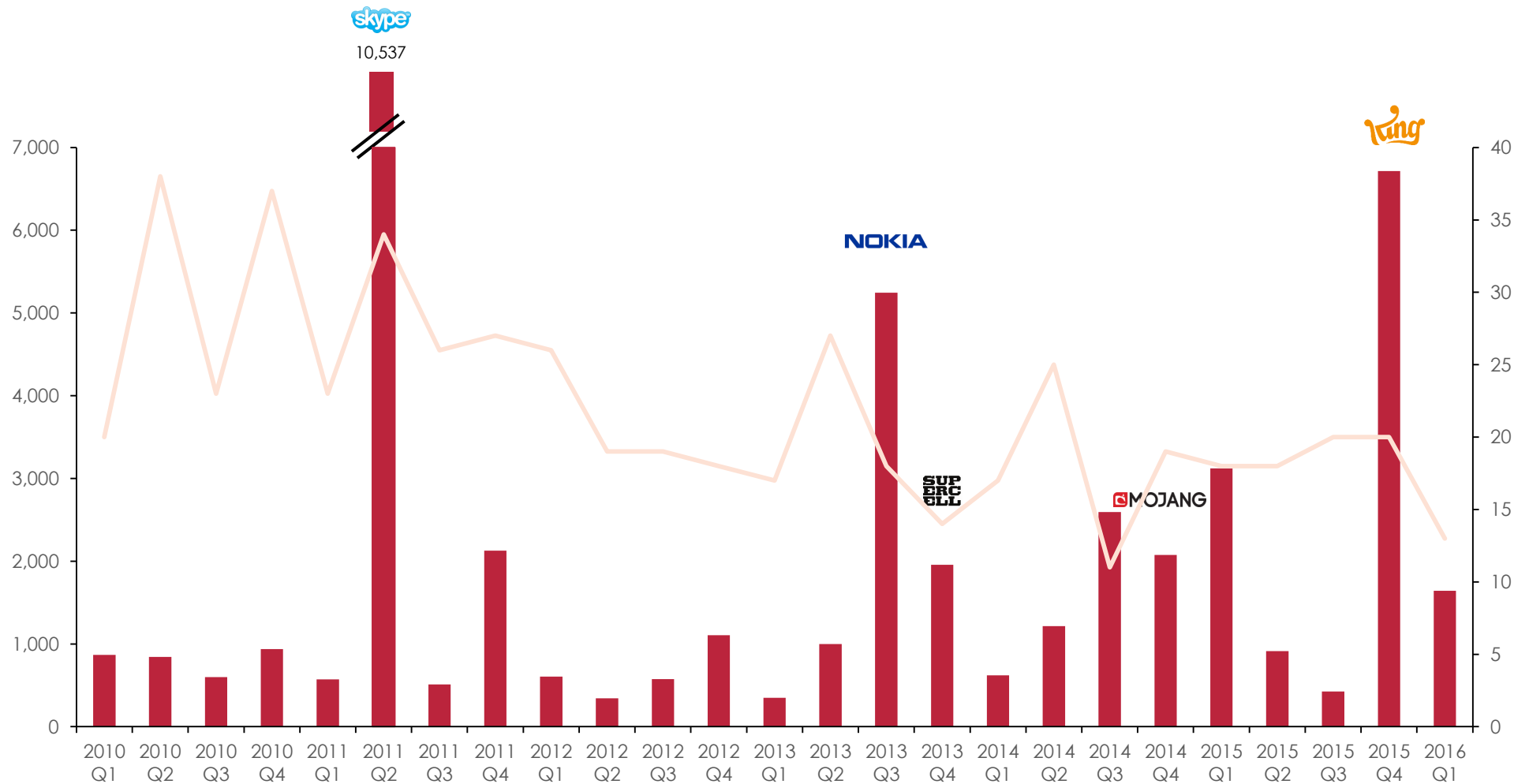
**Private Market Update**

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Underlying Factors Contributing to Nordic Success

# Nordic Tech M&A Market – 2010-2016 Q1

Number of Transactions and Total Transaction Value (USDm)



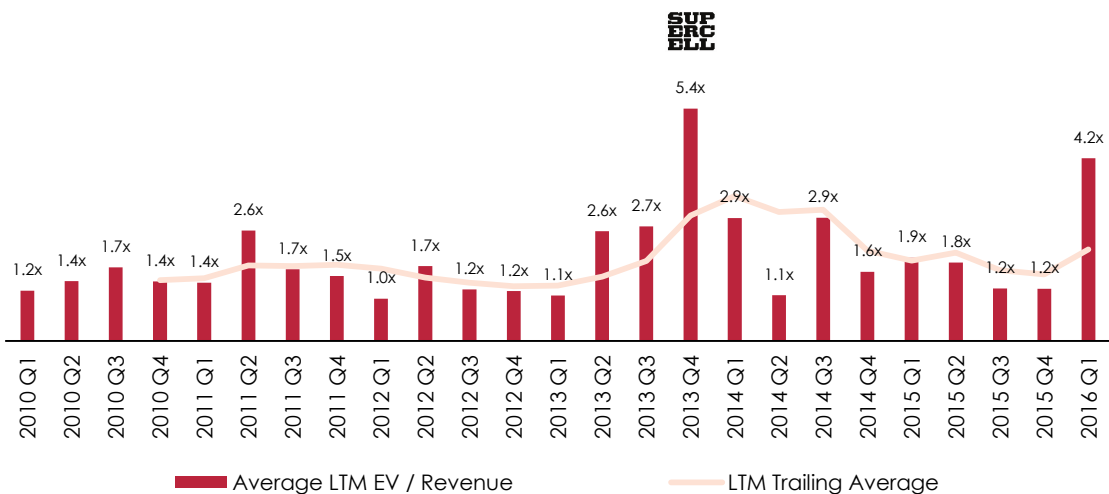
Source: CapitalIQ and GP Bullhound analysis

Note: Includes transactions with disclosed transaction value and GP Bullhound advised deals; 2016 Q1 includes announced Opera Software transaction of USD 1,365m.

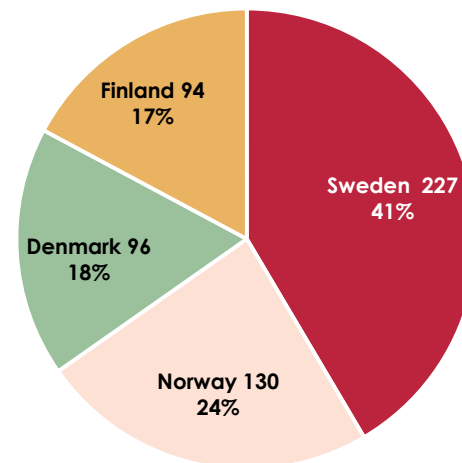


# Nordic Tech M&A Market – 2010-2016 Q1

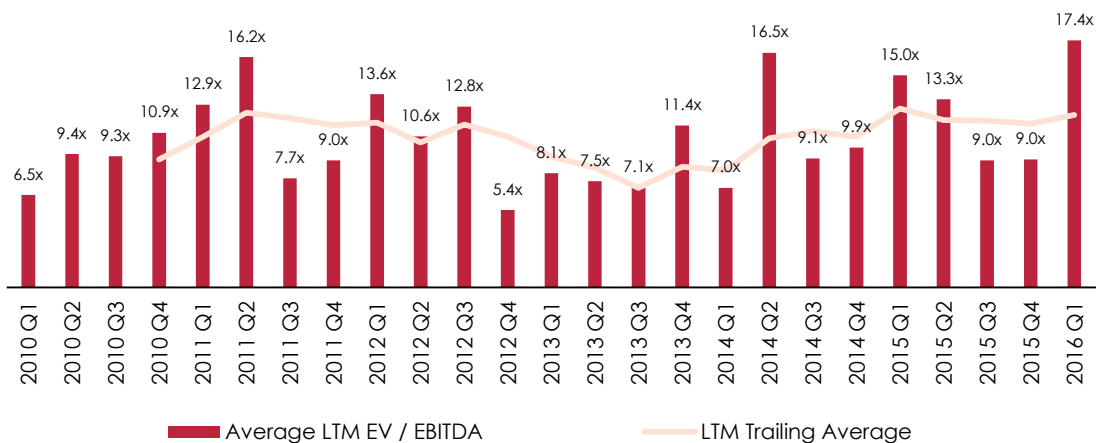
Average LTM Revenue Multiples



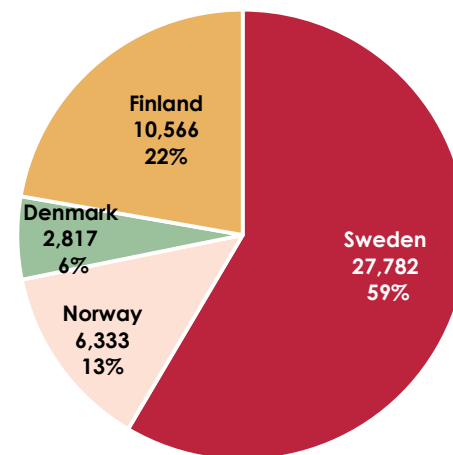
Number of Transactions by Country



Average LTM EBITDA Multiples

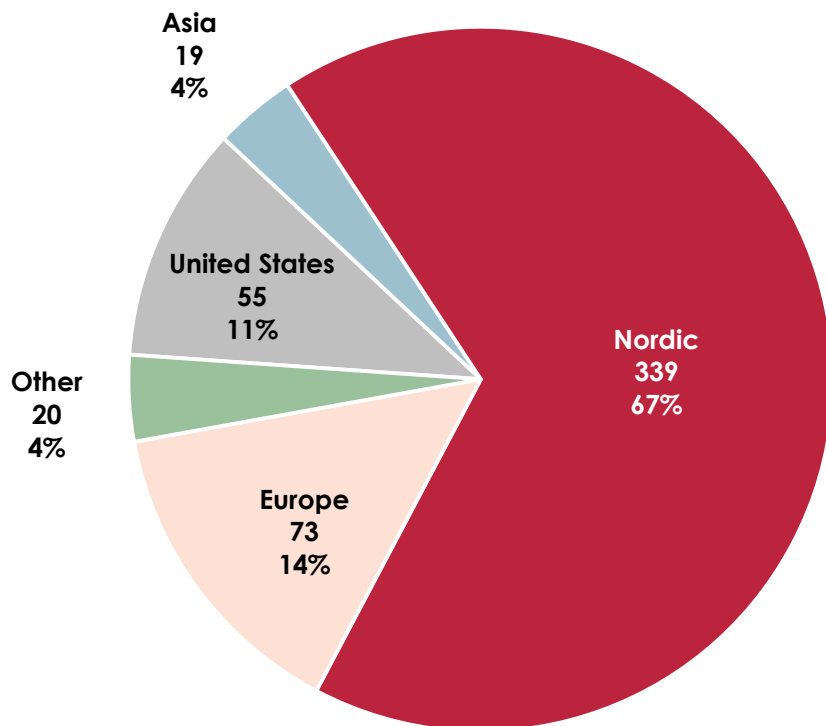


Disclosed Transaction Value by Country (USDm)

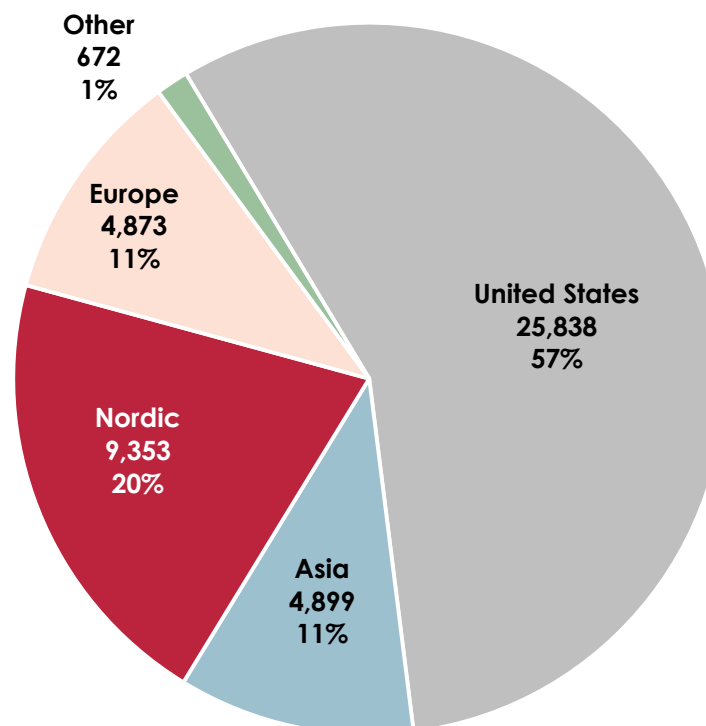


# Nordic Tech M&A Market – 2010-2016 Q1

*Number of Transactions by Acquiring Country*



*Disclosed Transaction Value by Acquiring Country (USDm)*



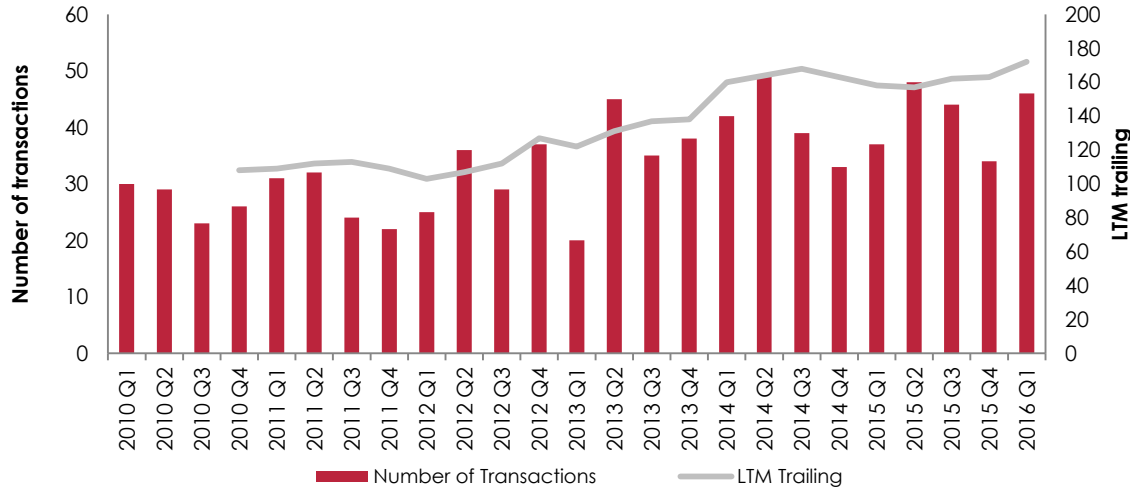
# Selected M&A Transactions

 <i>Sold 63% stake to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> S. Carter Enterprises
 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i> 	 <i>Sold to</i>  
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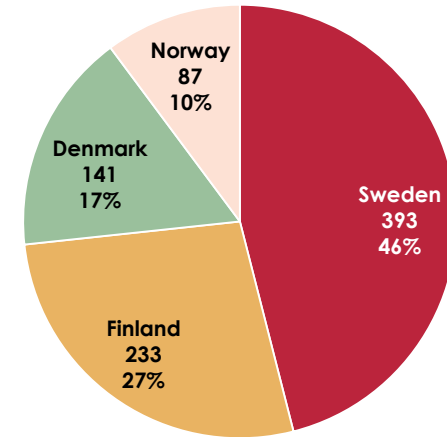


# Nordic Tech Private Placement Market – 2010-2016 Q1

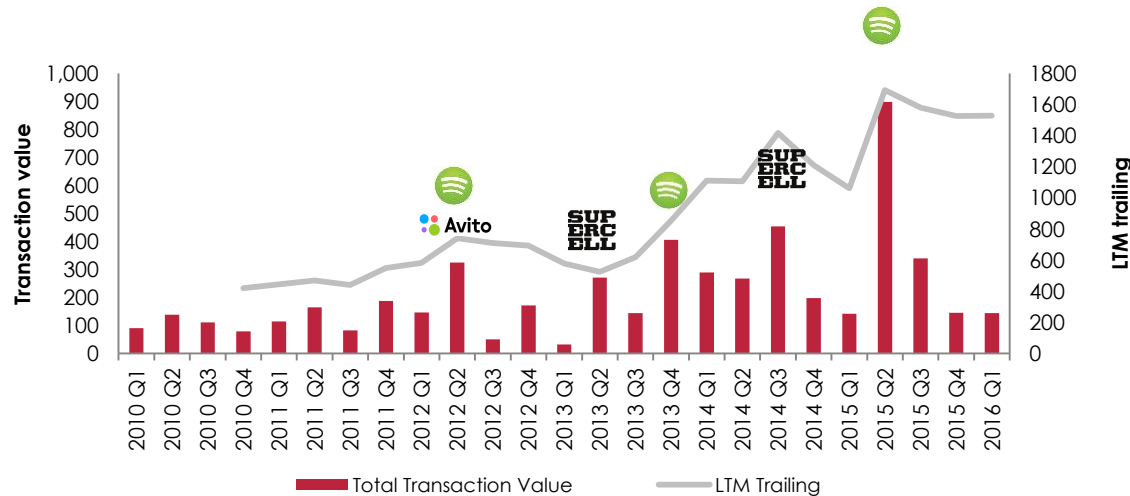
Number of Transactions



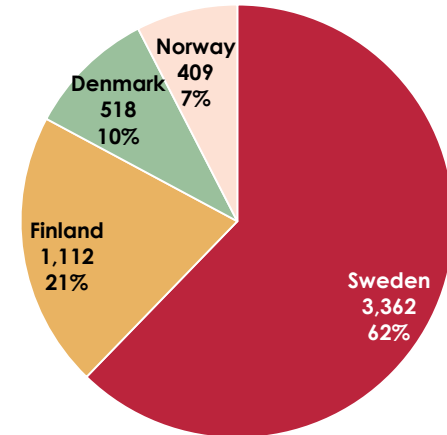
Number of Transactions by Country



Total Transaction Value (USDm)



Transaction Value by Country (USDm)



# Selected Private Placement Transactions

<p><b>\$1,000m</b></p>  <p>Private Placement</p>  	<p><b>\$55m</b></p>  <p>Private Placement</p> 	<p><b>\$67m</b></p>  <p>Private Placement</p>     	<p><b>\$11m</b></p>  <p>Private Placement</p> 	<p><b>\$30m</b></p>  <p>Private Placement</p>     	<p><b>\$24m</b></p>  <p>Private Placement</p> <p>Anders Holch Povlsen</p>	<p><b>\$74m</b></p>  <p>Private Placement</p>     	<p><b>\$526m</b></p>  <p>Private Placement</p>     
<p><b>\$35m</b></p>  <p>Private Placement</p>  	<p><b>\$29m</b></p>  <p>Private Placement</p> 	<p><b>\$60m</b></p>  <p>Private Placement</p>   	<p><b>\$20m</b></p>  <p>Private Placement</p>  	<p><b>\$125m</b></p>  <p>Private Placement</p>   	<p><b>\$250m</b></p>  <p>Private Placement</p> 	<p><b>\$60m</b></p>  <p>Private Placement</p>    	<p><b>\$40m</b></p>  <p>Private Placement</p> 
<p><b>\$20m</b></p>  <p>Private Placement</p>      	<p><b>\$70m</b></p>  <p>Private Placement</p>  	<p><b>\$130m</b></p>  <p>Private Placement</p>   	<p><b>\$50m</b></p>  <p>Private Placement</p>    	<p><b>\$41m</b></p>  <p>Private Placement</p>    	<p><b>\$75m</b></p>  <p>Private Placement</p>   	<p><b>\$42m</b></p>  <p>Private Placement</p>  	<p><b>\$17m</b></p>  <p>Private Placement</p> 



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Public Market Update

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Private Market Update

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**Underlying Factors Contributing to Nordic Success**

# Nordic Success Factors

*Of all the billion-dollar startups in the world,  
10% are created by a region that has only 0.4% of the world's population<sup>1</sup>*

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## ▪ Government Support

- Social welfare programs
  - » Provide a strong social safety net – the downside of becoming an entrepreneur and failing is small
  - » With free higher education, can develop the skills required for technology-related careers
- Infrastructure investments / Tax incentives
  - » Swedish government invested heavily in its technology infrastructure in 1990s, established high-speed internet and gave citizens a tax break to buy a computer

## ▪ Cultural Factors

- The Nordics have a unique mix of strong engineering, design, and data culture going back many generations
- Small population forces entrepreneurs to think globally from the start – domestic market is often not big enough
- Tech-savvy early adopters – great place to test a product before going global
  - » Mobile and smartphone penetration much higher than the global average

## ▪ Community

- Successful entrepreneurs continue to feed the startup economy with investments of capital and experience

## ▪ Talent

- Nordic countries are home to some of the world's best universities
- Good talent doesn't always leave the country – Nordic countries consistently top lists ranking quality of life and happiness
- Nokia's downfall in Finland during the economic recession benefitted local startups as Nokia's top talent, equipped with plenty of technological know-how, found positions in some of Finland's top gaming startups

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