

A close-up photograph of a person's hand holding a smartphone over a payment terminal. The person is wearing a light-colored shirt. The background is a blurred retail environment with clothing racks and a computer monitor. The Deloitte logo is in the top left corner.

Deloitte.

M&A sector report

Nordic Consumer transaction market

H1 2022

Letter from the editors

High inflation impacting Nordic consumption habits

High inflation combined with a European energy crisis and rising interest rates hit the Nordic countries in H1 2022, and is expected to impact consumer spend going forward.

Majority of consumers expect to change their shopping habits to counter the rising prices, likely to impact HoReCa, premium retailers and premium brands.

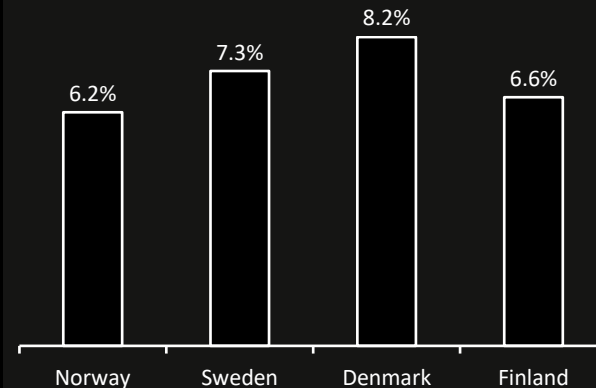
New normal for retailers in Norway post Covid-19

Retail sales in H1 2022 show signs of recovery after a dip during the pandemic when many retailers had to close down stores.

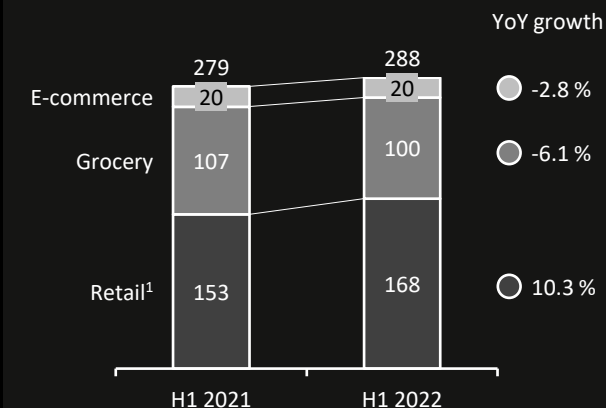
Grocery sales in H1 2022 have decreased by 6.1% YoY, partly explained by restaurants and boarders opening up post Covid-19.

A 2.8% decrease in E-commerce sales from record high 2021-levels; limited decline indicates a more permanent shift in consumer habits to more digital shopping post pandemic.

Inflation per country (consumer prices)
2022F, % change p.a.



Turnover per trade sales in Norway
NOKbn



Nordic Consumer Index trading at 8.9x EBITDA, below the 5Y mean of ~11x



H1 2022 Nordics transaction volume in line with H1 2021



Trend: Rising inflation impacting consumers purchasing power



Spotlight: Shifts in consumer mindset in a post-pandemic world



Syed Wajahat H. Kazmi
Partner
M&A Transaction Services
syekazmi@deloitte.no



René Bostrøm
Director
Corporate Finance
rbostrøm@deloitte.no



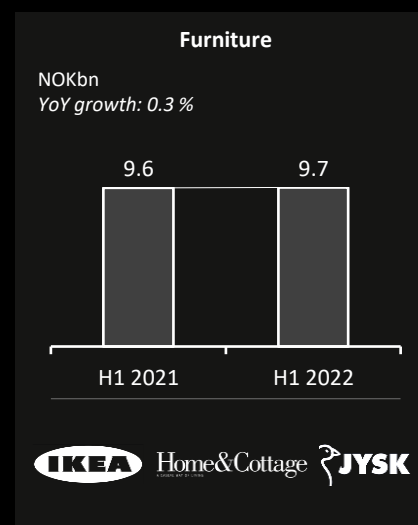
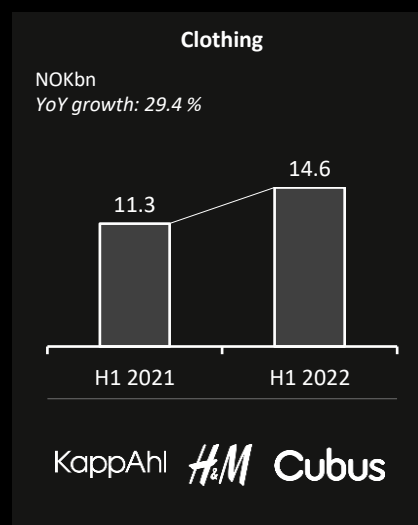
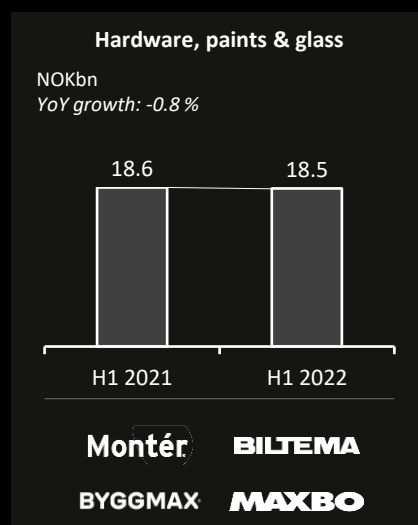
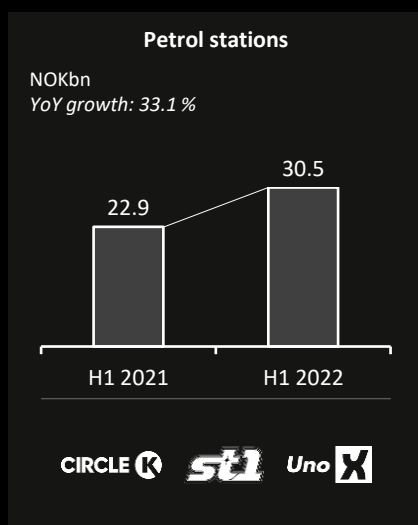
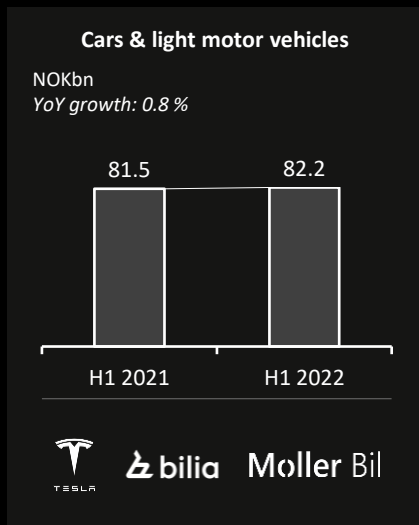
Sheil Malde
Partner
M&A Strategy
smalde@deloitte.no



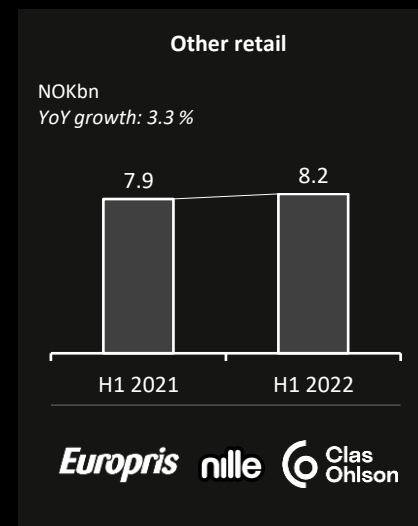
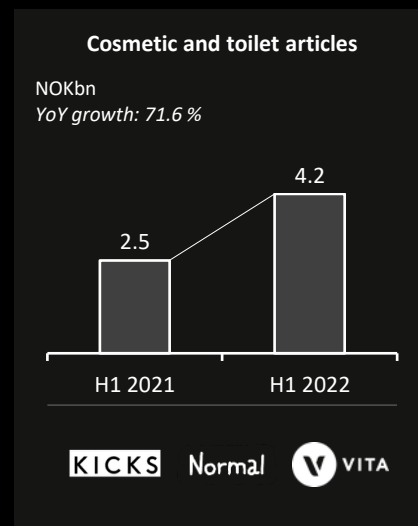
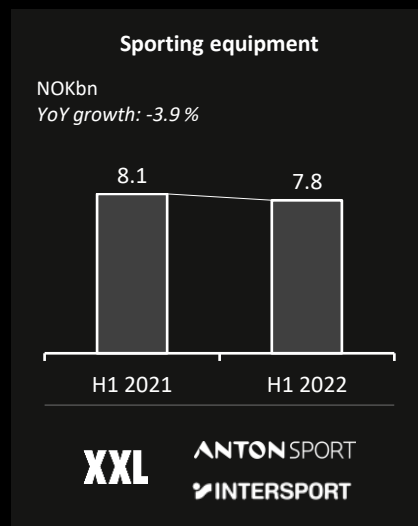
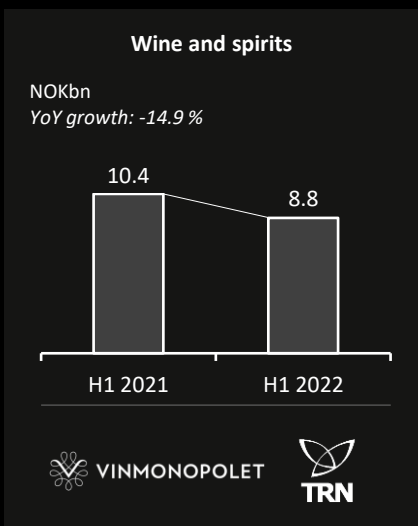
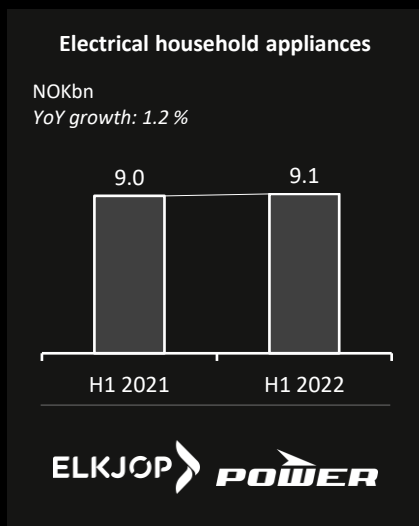
Halvor Moen
Partner
Enterprise Technology & Performance
hmoen@deloitte.no

Changes in consumer behaviour post covid effect certain retailer sub groups

Example companies

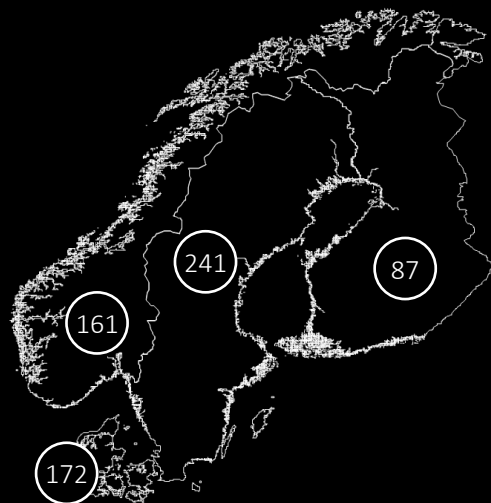


Example companies



92 Nordic consumer transactions closed in H1 2022, matching record high volumes from H1 2021

Total # of deals in the Nordics (Jul 2017 - Jun 2022)

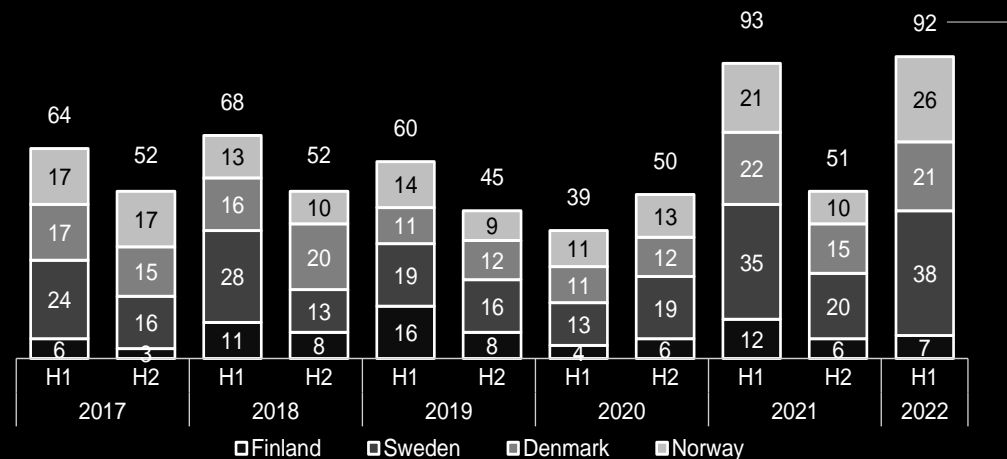


Continued high transaction activity across Europe over the last years

Covid-19 had a high impact on number of transactions in 2020, however no real impact on pricing. European transaction volume have since then increased in line with the trend over the last five years. Expected downturn in future volume due to a challenging macro environment

Stable pricing of European consumer businesses seen in recent years

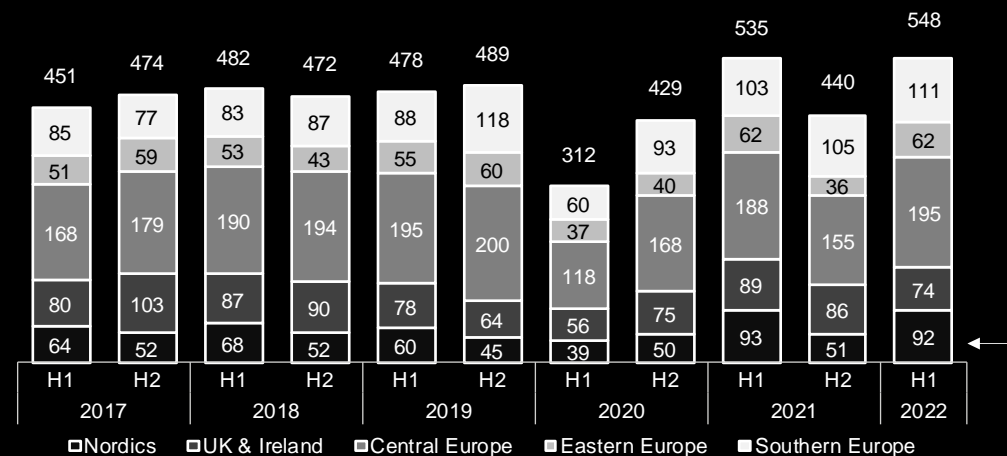
Consumer transactions in the Nordics



Development in transaction multiples (Median - Europe)

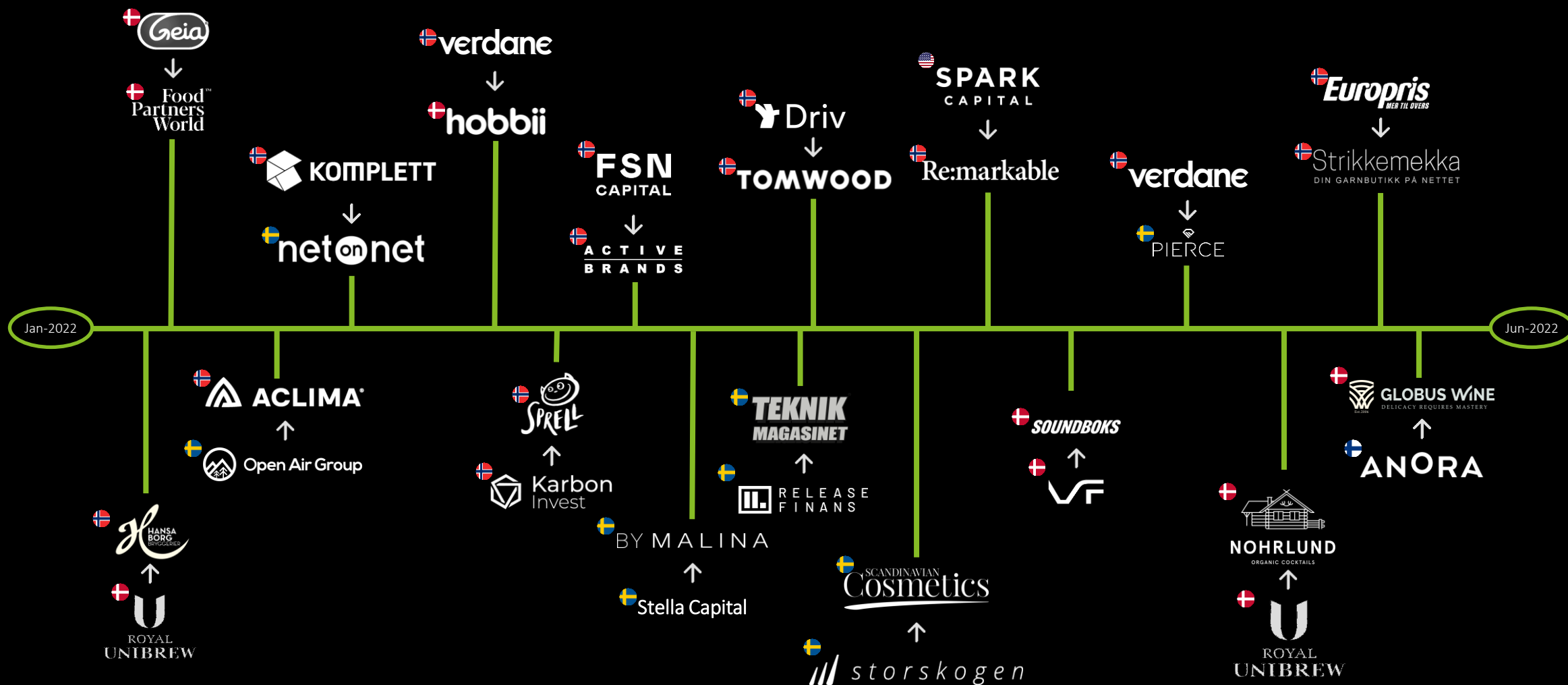


Consumer transactions per year by regions in Europe



Selected Nordic consumer transactions

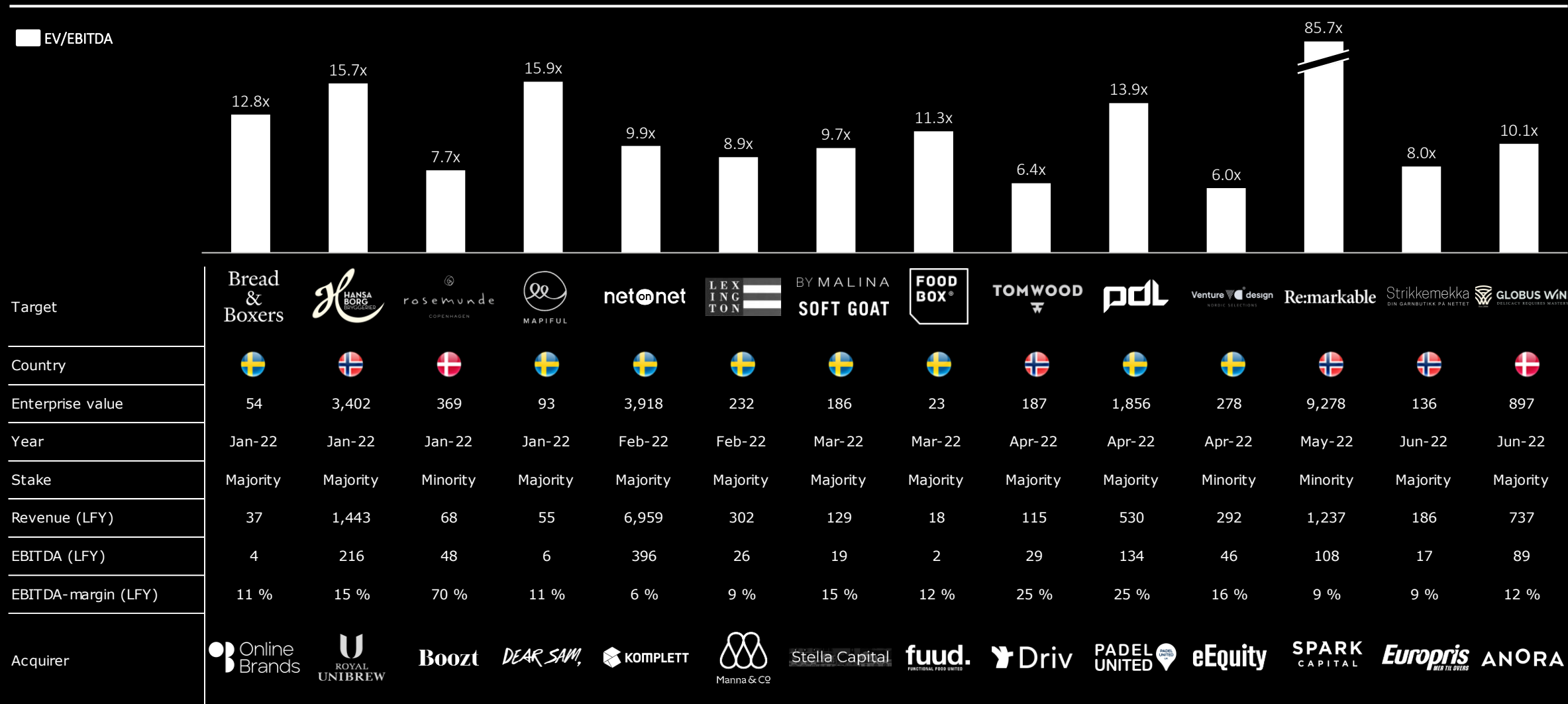
Significant deal activity across the Nordics during H1-22



Transaction multiples

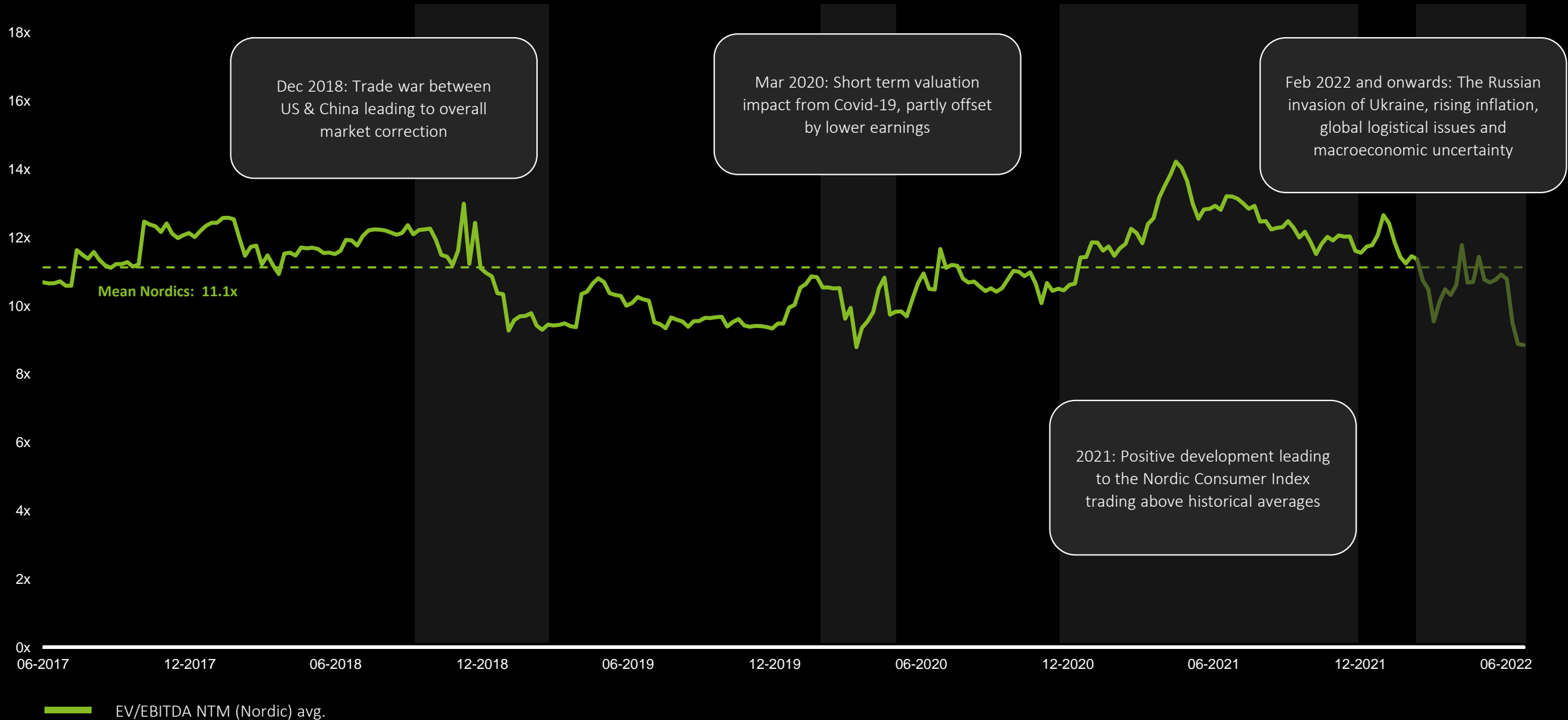
H1-22 Nordic Consumer transaction multiples have indicated an EV of ~10x EBITDA, with some variation

Selected Nordic Consumer transaction multiples in 2022 (NOKm)



Listed consumer companies' development

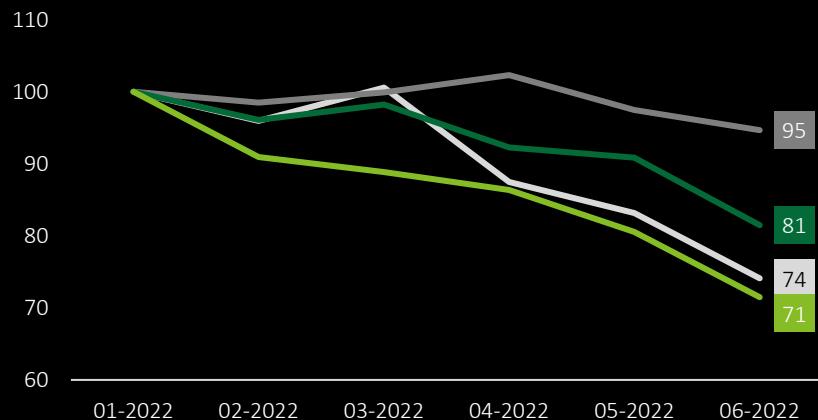
The Nordic Consumer Index traded at 8.9x EBITDA per June 2022, below the L5Y mean of ~11x



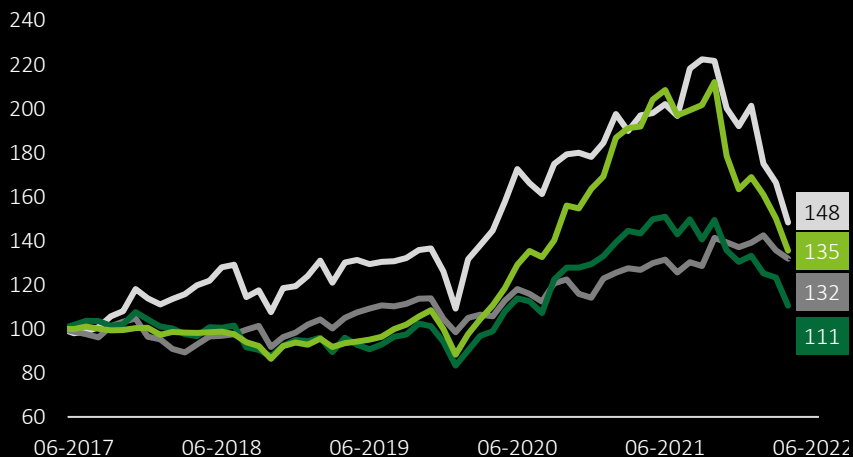
Listed consumer companies' development

The Nordic Consumer Index have taken the largest hit during H1 2022, reverting back to pre-covid levels

Deloitte Consumer Index vs. S&P Consumer vs. MSCI Nordic – Last 6M (indexed)



Deloitte Consumer Index vs. S&P Consumer vs. MSCI Nordic – Last 5Y (indexed)



Key takeaways



Significant decline in Nordic consumer markets per June 2022, compared to the end of 2021



The Staples consumer segment has been resilient through the last 6 to 12 months, driven by few changes in essential product shopping habits



All consumer indices have reverted back to pre-pandemic levels during H1 2022



The Deloitte Nordic Consumer Index outperformed the other indices during Covid-19, but have taken the largest hit so far in 2022. MSCI Nordic have been less volatile over the same period; outperformed only by S&P Consumer Staples 30 over the last six months.

Index descriptions

- Deloitte Nordic Consumer Index
- MSCI Nordic Countries Index
- S&P Consumer Staples 30
- S&P Consumer Discretionary 25

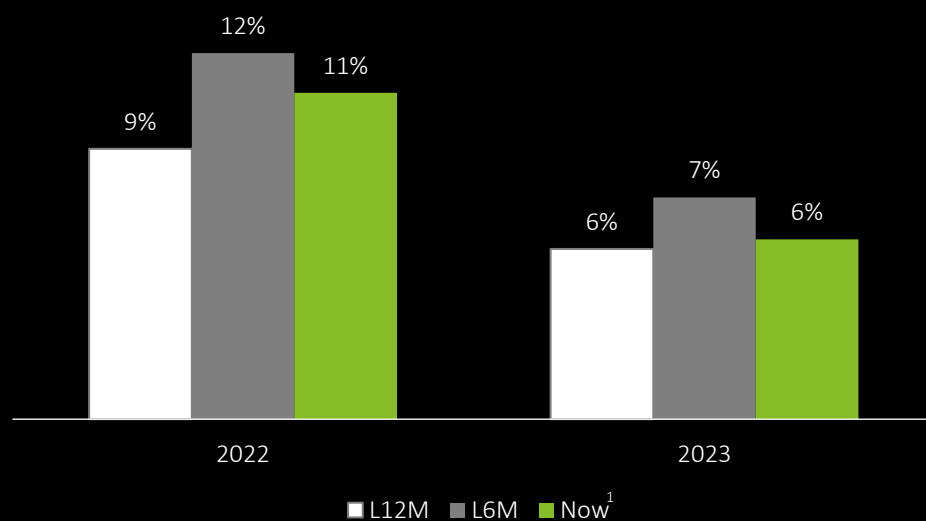
The Deloitte Nordic Consumer Index comprise of 93 listed Nordic consumer companies with the aim of capturing the Nordic consumer market
 The MSCI Nordic Countries Index captures large and mid cap representation across four Developed Markets (DM) countries: Norway, Denmark, Sweden and Finland
 The S&P 500® Consumer Staples comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector
 The S&P 500® Consumer Discretionary comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector

Analysts expect increasing net sales and reduced earnings for the Nordic Consumer Index in 2022

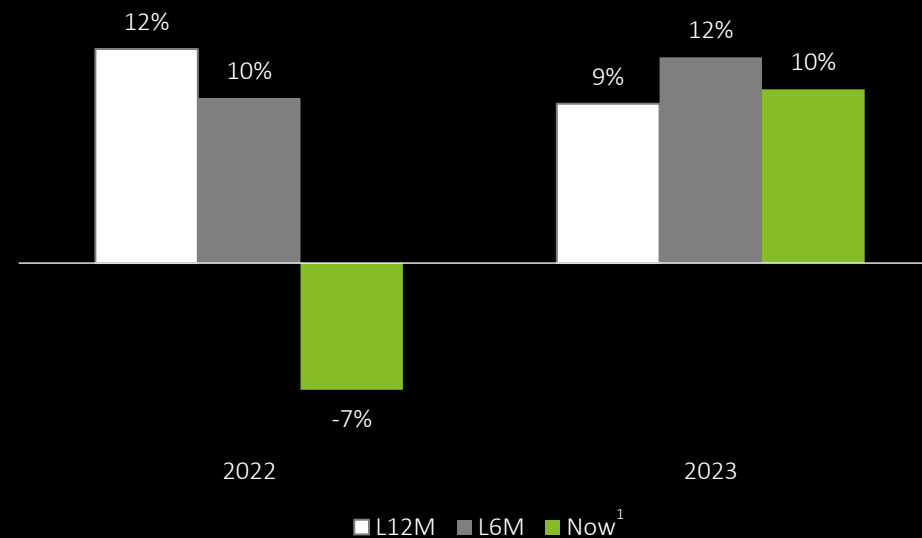
We have compared analysts’ expectations now versus what they expected 6 and 12 months ago for the Nordic Consumer peer group

We have used median expectations for all companies included in the index and looked at expected development in Net sales and EBIT for 2022 and 2023, giving an expected yearly growth shown below

Yearly growth expectations - Nordic Consumer Index – Net Sales



Yearly growth expectations - Nordic Consumer Index - EBIT



Key take-aways

Analysts expect a **steady increase in net sales** going forward, with an approx. 11% increase in 2022 compared to 2021 levels, mainly driven by increasing inflation



Negative trend in 2022 earnings expectations driven by cost increases and falling consumer confidence with rising interest rates and energy costs

Contact details

Deloitte professionals covering Consumer in Norway

Corporate Finance Advisory



René Bostrøm

- Corporate Finance
- +47 934 39 676
- rbostrom@deloitte.no
- [LinkedIn](#)

M&A Transaction Services



Syed Wajahat H. Kazmi

- Transaction Services
- +47 970 99 979
- syekazmi@deloitte.no
- [LinkedIn](#)

M&A Strategy



Sheil Malde

- M&A Strategy
- +47 959 20 982
- smalde@deloitte.no
- [LinkedIn](#)

M&A and Business Transformation



Halvor Moen

- Enterprise Technology & Performance
- +47 952 68 785
- hmoen@deloitte.no
- [LinkedIn](#)



Oskar Hole

- Corporate Finance
- +47 476 59 096
- ohole@deloitte.no
- [LinkedIn](#)



Ellen Stokke

- Transaction Services
- +47 986 86 057
- estokke@deloitte.no
- [LinkedIn](#)



Anders Engell

- M&A Strategy
- +47 909 45 712
- aengell@deloitte.no
- [LinkedIn](#)



Hein Enger Halvorsen

- Post Merger Integration
- +47 916 08 906
- hehalvorsen@deloitte.no
- [LinkedIn](#)



Nicholas Carlisle Ubøe

- Corporate Finance
- +47 477 03 053
- nuboe@deloitte.no
- [LinkedIn](#)

Valuation & Modelling



Beate Udem

- Valuation & Modelling
- +47 412 07 006
- budem@deloitte.no
- [LinkedIn](#)

M&A Tax



David Candell

- M&A Tax
- +47 468 26 329
- dacandell@deloitte.no
- [LinkedIn](#)

M&A Legal



Ståle Skutle Arneson

- M&A Legal Services
- +47 908 87 534
- sarneson@deloitte.no
- [LinkedIn](#)



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Dronning Eufemias Gate 14
0191 Oslo, Norway

Suggested further reading

Further insights into market trends can be found in other Deloitte publications



Global State of the Consumer Tracker

State of the Consumer Tracker

The Deloitte Consumer Industry Center has been tracking consumer sentiments by country, providing a compact view of timely data and trends, highlighting evolving trends such as consumer anxiety, net spending intent and consumption patterns

[Explore our interactive dashboard](#)



Retail Trends 2022

Retail Trends 2022

2022 is set to be an exciting year for the retail trade: the sector is finally aiming to shake off the post-pandemic challenges that still remain. At the same time, it seems that the sector will take big steps in defining what the future shopping experience will look like

[Download the report](#)

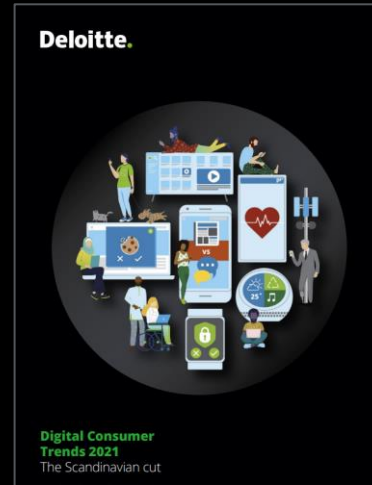


2021 M&A Consumer Sector Report
Nordic Consumer transactions
Mar 2022

M&A Consumer Sector Report 2021

Bi-annual updates with recent M&A transactions, analyses and insights into key industry trends across the Nordics

[Download the report](#)



Digital Consumer Trends 2021
The Scandinavian cut

Digital Consumer Trends 2021

A dive into the digital consumer and the online customer experience. We explore streaming habits, changing ways of getting news, new tech gadgets and more. It also includes four spotlights on Scandinavian industry trends in Retail, Telecom, Public and Financial Services

[Download the report](#)



Global Powers of Luxury Goods 2021
Breakthrough luxury

Global Powers of Luxury Goods 2021

The pandemic was the catalyst for change as luxury goods companies adopted new paradigms of value creation. These paradigms include incorporating sustainability and digitalization into their strategies, to align with consumers' and regulatory demands

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


i loopen – Pandemien endret handlevanene våre

In this episode of Deloitte weekly podcast, Elisabeth Marie Myhre, CEO of Foodora, and Britt Myrset, Consumer Lead for Deloitte Norway, discuss how our shopping habits have changed, and the impact of instant gratification

[Listen to the podcast](#)



Deloitte.  **Global Powers of Retailing 2021** [Download the report](#)  **The Nordic esports market: Let's Play! 2021** [Download the report](#)  **The click-and-collect Consumer** [Download the report](#)  **The Post-Pandemic Food Industry** [Download the report](#)



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