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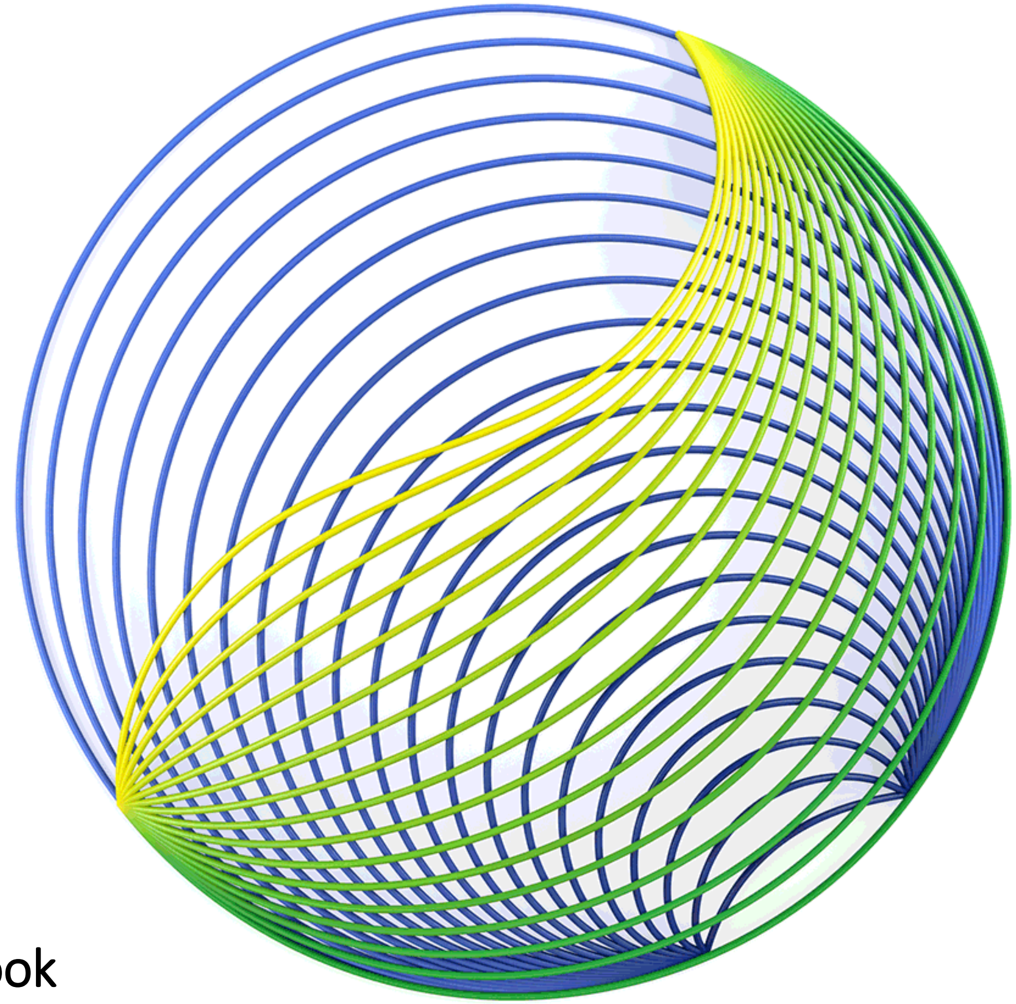

The Deloitte Economics' Outlook

Nordic economies are navigating geopolitical uncertainties with fiscal prudence

Deloitte Economics, August 2026

Strategy, Risk and Transaction Advisory

Overview from **Deloitte** Economics

Global GDP growth is projected to remain at 3.2% in 2027, largely unchanged from 2026. In the US, growth is expected to moderate to 2.1%, representing a 0.2%-point decline from 2026, as private consumption and investment soften amid expectations of persistent inflation and tighter monetary policy. The EU is also expected to record subdued growth of 1.2%, with higher energy prices continuing to dampen household spending and business investment.

While the recent ruling against US tariffs and the conclusion of new trade agreements have reduced trade-related uncertainty, the renewed conflict in the Middle East, persistent inflationary pressures, and tighter monetary conditions remain significant headwinds to global growth. The ongoing conflict also heightens uncertainty and poses additional risks to global supply chains, commodity markets, and financial stability.

The Nordic economic outlook is also adversely impacted amid rising geopolitical tensions. Sweden and Iceland are expected to lead regional growth in 2027, while Denmark, Norway, and Finland face subdued growth prospects. The Swedish economy is projected to grow by 2.2%, a downward revision from 2026 (2.6%), amid weak household consumption and geopolitical uncertainties continue to weigh on investment and exports. Unemployment remains elevated and inflation may rise towards its target level in 2027.

Meanwhile, Denmark is expected to record 1.8% GDP growth, as persistently high inflation and restrictive monetary policy dampen consumer spending and slow private investment activity. At the same time, a rise in defense-related procurement from foreign suppliers has further offset domestic gains of the economy.

In contrast, Iceland's growth outlook has improved, with GDP projected to expand by 2.2% in 2027, supported by strong export performance in aluminum and ICT services. Sustained investment in data centers, aquaculture and IT sectors is providing additional momentum to its economic growth.

Norway's economy is projected to grow by 1.3% in 2027, constrained by weaker non-energy exports and subdued investment in manufacturing and construction sectors. High inflation and tighter monetary conditions will impact consumer sentiment and increase financing costs for businesses, while declining capacity utilization points to softer industrial activity.

While Finland is expected to post the weakest growth among its Nordic peers, the outlook has improved, with GDP forecast to grow by 1.2% in 2027. Consumer confidence remains fragile due to rising inflation and tighter monetary conditions, though strong exports in machinery, defense, and shipbuilding, alongside growing tech-sector investment, offer important tailwinds.

On the monetary side, all Nordic countries except Sweden raised policy rates by 25 to 50 basis points in 2026, responding to inflationary pressures arising from high energy prices and weaker currencies. Going forward, Sweden and Denmark are expected to hike rates in 2027, while Norway and Finland are likely to keep rates on hold while keeping close watch on inflation trends. On the other hand, Having raised policy rates twice, Iceland is expected to begin easing monetary policy to support strong business investment and sustain economic momentum.

Looking ahead, the Nordic economic outlook remains closely tied to geopolitical developments. Escalating tensions in the Middle East have increased volatility in commodity markets and pushed energy prices higher, raising the risk of persistent inflation. At the same time, supply-chain pressure and continued fiscal support measures are putting upward pressure on fiscal deficits, public debt levels, and sovereign bond yields.

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Rising inflation and interest rates weigh on growth prospects in Sweden, Norway, and Denmark, while Iceland and Finland benefit from resilient investment and momentum in strategic sectors.

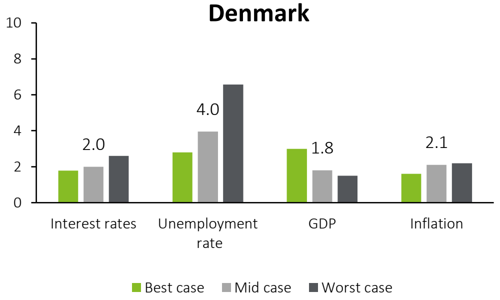
Sweden

- Sweden is expected to grow by 2.2% in 2027, 0.4%-point lower than in 2026 due to moderating external trade amid persistent geopolitical tensions and weak recovery in household consumption and investment.
- Inflation is expected to rise to 1.8% in 2027, marking a threefold increase from 2026, driven by higher import prices as the earlier appreciation of the krone unwinds, alongside rising global oil and commodity prices.
- Meanwhile, unemployment is expected to remain elevated at 8.0% due to structural issues, rising labour supply, and cautious business investment.
- The Riksbank is expected to hike its policy rate to 2% in 2027, up from the current rate of 1.75%, to contain risks of high inflation.
- The Swedish medium-term outlook faces external headwinds, particularly from high energy prices and supply disruptions, impacting private sentiment and domestic demand.

Norway

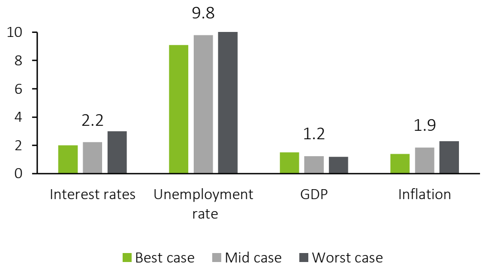
- Norway is projected to grow by 1.3% in 2027, 0.2%-points lower than in 2026, reflecting weak global demand for non-energy exports, and declining business investment, particularly in manufacturing, petroleum and residential construction sectors.
- Inflation is expected to remain above the 2% target at 2.6% in 2027, unchanged from 2026 forecast. Tax cuts in electricity and diesel, together with strong wage growth, will likely support household spending and lead to inflation in domestically produced goods and services.
- The central bank increased the policy rate to 4.25% in May 2026 in response to indirect cost increases in transport, imported goods, and intermediate inputs, arising from higher fuel prices. Rates are expected to remain above 4% as inflation continues to exceed target levels and uncertainty persists over the duration of the Middle East conflict.

Denmark



- Denmark is projected to grow by 1.8% in 2027, 0.4%-points lower than in 2026. Weaker export demand, higher defense-related imports, and disruptions to Middle East shipping routes are expected to weigh on growth.
- Inflation is expected to rise marginally to 2.1% in 2027, as higher energy prices gradually pass through to other goods and services.
- The unemployment rate is expected to rise to 4.0%, due to weak business confidence and investment, limiting labour demand. On the other hand, labour supply is expanding due to increase in international workers and older workers staying active beyond retirement age.
- The central bank raised interest rates to 1.85% in June in response to weaker krone against the Euro. Further rate adjustments are likely if inflation trends above target and its currency depreciates in 2027.

Finland



- The Finnish economy is expected to grow merely by 1.2% in 2027 (0.3%-point higher from 2026), supported by increase in investments in data centers, machinery and equipment, and growing exports, particularly in machinery, shipbuilding and defense industries.
- Inflation is expected to stay below 2% amid weak consumer confidence, high savings, and Finland's relatively low reliance on fossil fuels.
- Unemployment is likely to remain elevated at 9.8% in 2027, due to weak economic growth, higher growth in working-age population, and immigration.
- The ECB hiked policy rate to 2.25% in June 2026 in response to rising prices amid Middle East and Russia-Ukraine war, which may impact the ongoing recovery in household spending going forward. However, further rate adjustments will depend on the broader Euro area's inflation developments.

Iceland

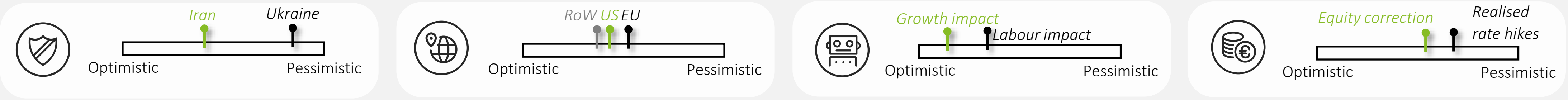
- Iceland is expected to grow by 2.2% in 2027, 0.4%-point higher than the 2026 forecast. This is driven by increase in private consumption and residential investments, higher exports, particularly in aluminum and ICT services, and continued expansion in data centers, aquaculture, and IT sectors.
- Inflation may ease to 3% in 2027 from 3.5% in 2026 but remains significantly above its target due to high wage pressure and ongoing supply-side shocks linked to geopolitical disruptions.
- Unemployment is expected to rise to 4.6%, 0.3%-point higher from 2026, due to weak business sentiment amid high interest rates.
- The central bank hiked rates twice to 7.75% in 2026 amid inflationary pressure and weakening Euro, resulting in higher import prices. Rate cuts are likely in 2027 to support business sentiment provided inflation expectations are contained.

Source: OECD, IMF, Economic Intelligence Unit, SEB, Nordea, Deloitte Analysis

Geopolitical tensions, elevated sovereign yields, and tighter monetary conditions pose downside risks to growth, while AI-led investment and earnings momentum continue to support equity markets.

	Optimistic outcome	Range of possible outcomes	Pessimistic outcome
Geopolitical tensions	The renewed escalation of the Middle East conflict subsides in the coming weeks, easing disruptions to global trade routes, energy supplies, and supply chain. As geopolitical risks recede, energy and shipping costs stabilize, limiting inflationary spillovers. This provides central banks with greater scope to resume monetary easing, supporting business confidence, investment activity, and global economic growth. Cease fire is in reach between Russia and Ukraine.		The conflict in the Middle East remains prolonged and draws in additional countries, disrupting energy infrastructure and key trade routes. Simultaneously, tighter sanctions on Russia further constrain global energy and commodity supplies. Elevated energy and commodity prices keep inflation persistent, forcing central banks to maintain a hawkish monetary policy or resume rate hikes, raising borrowing costs and weighing on consumption, investment, and economic growth.
Public debt yields	Easing geopolitical tensions and moderating inflation allow central banks to adopt a more accommodative policy stance. Lower sovereign bond yields reduce borrowing costs across the economy, supporting consumer spending, business investment, and overall economic growth.		Elevated energy and commodity prices, monetary tightening, continued fiscal support for households and rising defense expenditures lead to larger budget deficits and public debt levels. This results in rising sovereign bond yields, which push up borrowing costs across private credit markets, dampening business investment, consumer demand, and financial markets.
AI boom and shocks to labour supply	Continued momentum in AI investment translates into broad-based productivity gains, accelerating innovation and enhancing economic efficiency across sectors. The adoption of AI supports stronger growth, improved corporate performance, and higher living standards, while workforce adaptation and reskilling help mitigate adverse labour market impacts.		Widespread AI adoption leads to significant job displacement, while its economic benefits are concentrated among a relatively small group of firms and workers. This could weigh on household incomes and consumer spending and heighten inequality, with the impact further exacerbated by AI-driven information flows and increasingly polarized policy debates.
Financial markets	Equity markets remain supported by strong corporate earnings expectations, led by sectors such as technology, semiconductors, and data-center infrastructure, while AI-related productivity gains benefit a wider set of allied sectors. Reduced trade policy uncertainty further strengthens investor confidence, supporting valuations and broader market performance.		AI-linked equity valuations undergo a sharp correction as earnings fail to meet elevated market expectations. Continued geopolitical instability in the Middle East and monetary tightening drives investors toward safe-haven assets, intensifying risk aversion and further weighing on global equity markets.

Our current assessment



Source: IMF Economic Outlook January 2026; Global Financial Stability Report October 2025; ECB Economic Bulletin Issue 1/2026.

A framework to gauge the potential impact of the war in the Middle East

While subdued demand and reserve releases have somewhat cushioned the adverse impacts of Middle East conflict on global oil and commodity prices, its duration will ultimately determine the broader impact on the global economy.

The Middle East conflict has entered its seventh month in early August. The IMF's April forecasts projected global growth at 3.1% in 2026, 0.2%-point below the pre-war forecast. The July update revised 2026 growth down by 0.1%-point and 2027 growth up by 0.2%-point, while global inflation was revised up by 0.3%-point in 2026 and 0.2%-point in 2027, suggesting that the impact has been contained so far through record release of strategic oil reserves, higher non-Gulf production, weaker demand and greater adoption of energy alternatives. Brent prices, which averaged $117.29/bbl in April, 76% higher than in January, have moderated to $83.76/bbl in July as these buffers eased supply pressures. Going forward, the duration of the conflict and opening of the Strait of Hormuz remain most critical, with prolonged disruption increasing the risks of persistent high energy prices amidst depleting strategic reserves, broader inflation, wider fiscal deficits and elevated bond yields, impacting the broader economy.

This simplified framework estimates the macroeconomic impact of the Iran conflict by mapping energy market disruptions into macroeconomic outcomes. The approach combines:

- Scenario assumptions for Brent oil, European gas prices, and shipping costs
- Empirical price-to-inflation and price-to-growth elasticities (IMF, ECB)
- Country-specific transmission adjustments for the Nordic economies.

Three high-level scenarios are assessed. The resulting tables present ranges of impacts on inflation and GDP growth, which should be interpreted as conditional on the assumed energy price paths rather than as point forecasts.

Scenario	Description	Duration	Brent vs pre-war baseline	European gas/LNG	Shipping insurance
Negotiations reach an agreement	De-escalation begins with an unconditional reopening of the Strait of Hormuz, restoring energy flows and putting energy prices on a sustained downward trajectory.	1–3 months	+10% to +25%	+15% to +25%	modest
Continued stall with limited shipping access	No formal agreement is reached, while limited access through the Strait of Hormuz is maintained and a cooperative framework is established to manage shipping until a permanent settlement is achieved.	1–2 quarters	+25% to +40%	+30% to +70%	clearly elevated
Conflict escalates with severe shipping disruptions	The conflict escalates and spreads to neighboring Middle Eastern countries, causing sustained disruption to the Strait of Hormuz and severe damage to regional energy infrastructure.	2–3 quarters	+40% to +70%	+80% to +140%	severe disruption

Area	Macro indicator (pp)	Scenario 1	Scenario 2	Scenario 3
Global	Inflation	+0.4 to +1.0	+0.8 to +1.6	+1.6 to +2.4
	Growth	-0.1 to -0.5	-0.3 to -0.8	-0.6 to -1.4
Denmark	Inflation	+0.3 to +0.6	+0.6 to +1.1	+1.1 to +1.8
	GDP	-0.1 to -0.3	-0.3 to -0.7	-0.7 to -1.3
Sweden	Inflation	+0.3 to +0.6	+0.7 to +1.2	+1.2 to +1.9
	GDP	-0.1 to -0.4	-0.4 to -0.8	-0.8 to -1.5
Finland	Inflation	+0.3 to +0.7	+0.7 to +1.3	+1.2 to +2.0
	GDP	0.0 to -0.2	-0.1 to -0.5	-0.3 to -1.0
Norway	Inflation	+0.3 to +0.6	+0.7 to +1.2	+1.3 to +2.0
	Mainland GDP	-0.1 to -0.3	-0.3 to -0.7	-0.8 to 1.5

Source: EIU, IMF, IMF – April, IMF – July, US Energy Information Administration, US Congress, ECB, The National Institute of Statistics and Economic Studies, Deloitte analysis

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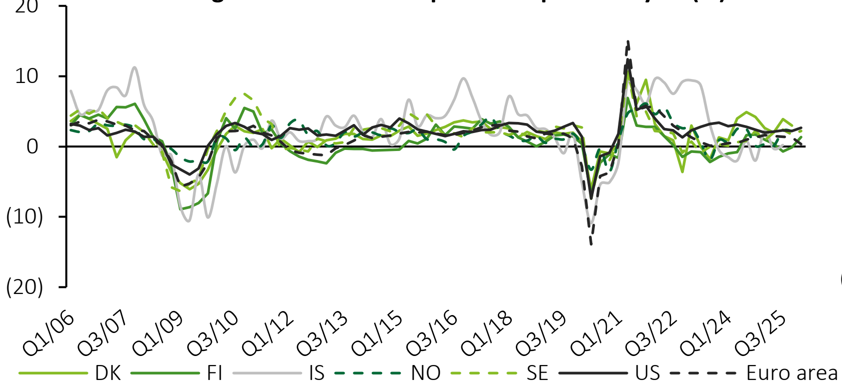
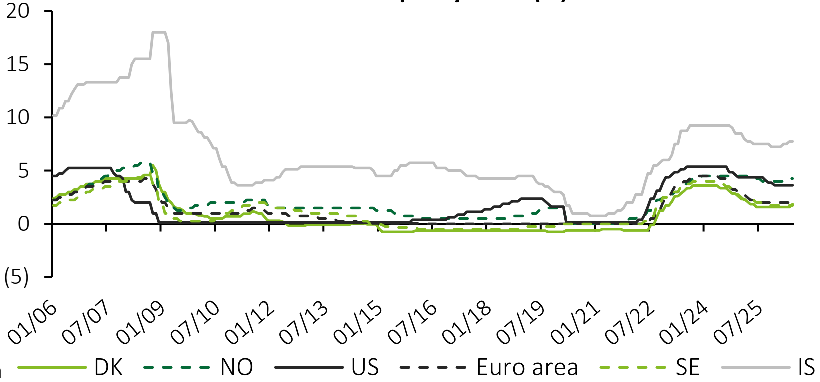
Growth prospects face headwinds from energy-driven inflation and tightening monetary policy across major economies, while investment across the AI and tech value chain supports economic momentum in the US, Iceland, and Finland.

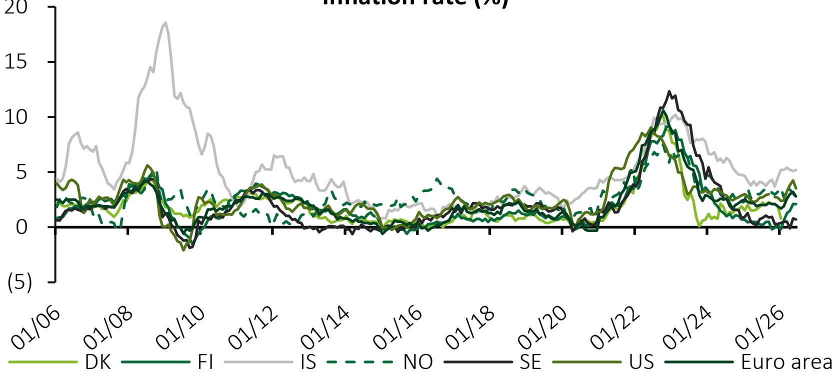
Real GDP growth from same quarter of previous year(%)[1]



Central bank policy rates (%)[2]



Inflation rate (%)



The Nordic outlook for 2027 has improved for Iceland and Finland, supported by growth in key industries such as data centers, machinery, and technology. In contrast, Sweden, Denmark, and Norway are expected to see weaker growth due to subdued private consumption, exports, and investment. Sweden and Iceland are projected to grow by 2.2%, followed by Denmark at 1.8%, while growth remains lower in Norway (1.3%) and Finland (1.2%).

The Eurozone is expected to grow at 1.2% in 2027, 0.1%-point higher than the forecast for 2026. However, the outlook remains highly uncertain, with elevated energy price volatility impacting demand, and persistent external trade challenges posing downside risks to economic growth.

The US growth is expected to be 2.1% in 2027, 0.2%-point lower than the 2026 forecast, largely as AI-related investment growth and private consumption moderates. Inflationary pressures from higher energy and commodity prices are also expected to weigh on economic activity.

All Nordic countries except Sweden raised policy rates by 0.25% in Q2 2026 due to inflation pressures from higher global energy and commodity prices and currency depreciation. In 2027, Norway and Finland are expected to hold rates steady as inflation moderates and energy price uncertainty persists. Denmark and Sweden are likely to raise rates further as higher energy costs feed into broader prices, while Iceland may cut rates after two hikes in 2026 as inflation eases.

Meanwhile, the ECB raised rates by 0.25%-points in June 2026, to curb persistent energy inflation and to keep inflation expectations anchored. Further rate hikes are anticipated as inflation is expected to stay elevated above 3%, mainly driven by energy prices.

In contrast, the Fed has left its policy rate unchanged throughout 2026 so far. A prolonged period of elevated energy prices may prompt the Fed to hike rates in the short to medium term as Fed board dissent surfaced unusually quickly after new Chairman Kevin Warsh took office.

The Middle East conflict has contributed to higher inflation across most Nordic countries through rising energy and commodity prices. Between February and June 2026, inflation increased by 1.2%-points in Denmark, 1.3%-points in Finland, and 0.2%-points in Sweden, while remaining broadly stable in Norway and Iceland despite elevated energy and commodity prices globally during March-May.

Inflation in the Euro Area increased to 2.8% in June 2026 and is expected to remain above the ECB's 2% target, due to higher prices in energy, services, food items, and non-energy industrial goods sectors.

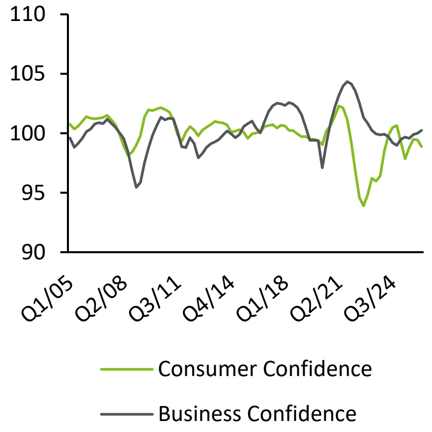
In the US, inflation rose to 3.5% in June 2026, driven by higher housing and rental costs, transportation expenses, and energy prices. Inflation is expected to stay elevated amid strong consumer spending and sustained energy price pressures.

Note: 1) GDP measured using the expenditure approach, seasonally adjusted, 2) DK: interest rate of the certificates of deposits; Euro area: official central bank liquidity providing main refinancing operations, fixed rate; US: mid-point of the Federal Reserve target rate; SE: Central bank fixed repo/reversed repo rate; NO: official deposit facility rate; GB: official bank rate

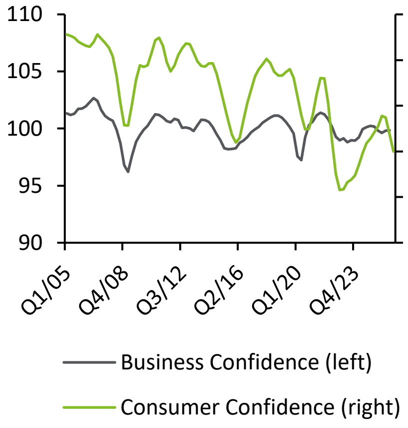
Source: Eurostat, OECD, BIS

Consumer sentiment across the Nordic region remains under pressure from higher inflation and interest rates, while improved trade policy clarity following the US Supreme Court's ruling against tariffs is supporting business confidence.

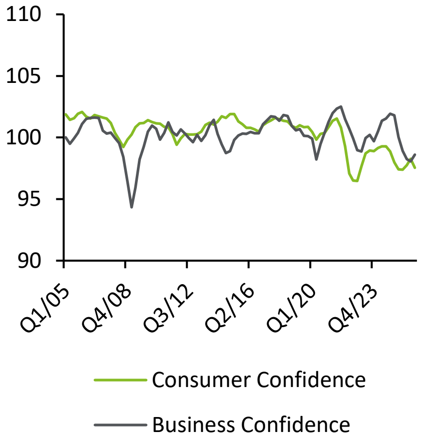
Sweden



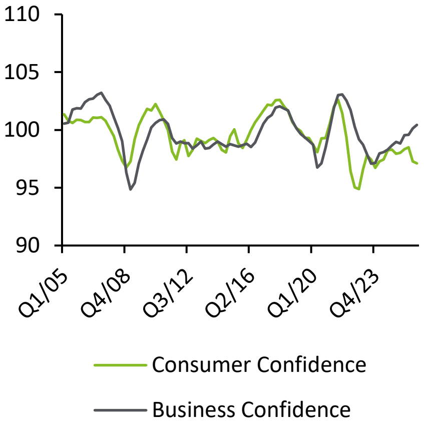
Norway



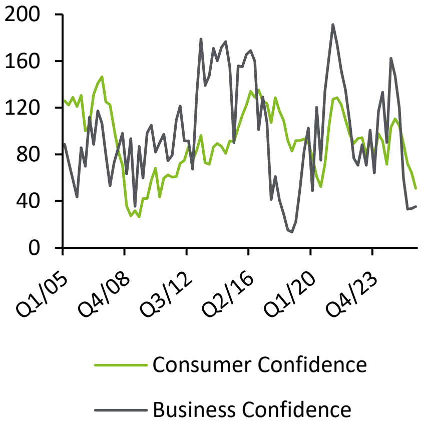
Denmark



Finland



Iceland



Consumer confidence deteriorated across all Nordic countries in Q2 2026 compared with the previous quarter, reflecting the impact of higher energy prices following the escalation of the Middle East conflict and the recent hikes in interest rates. Notably, the consumer sentiment in Denmark, Finland, and Sweden improved over the previous two quarters before weakening in Q2 2026.

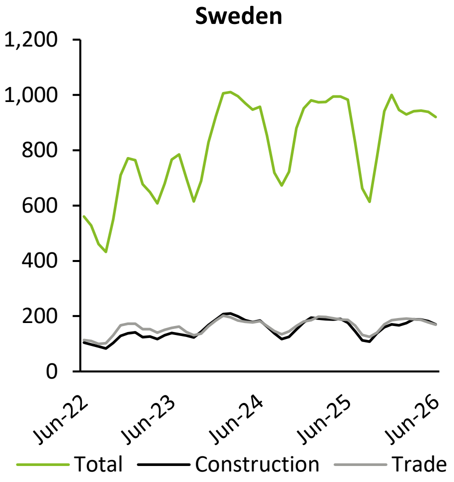
In contrast, consumer confidence in Norway and Iceland has been on a downward trend since 2025, as persistently high inflation and elevated interest rates have continued to erode real household incomes and weigh on consumer spending.

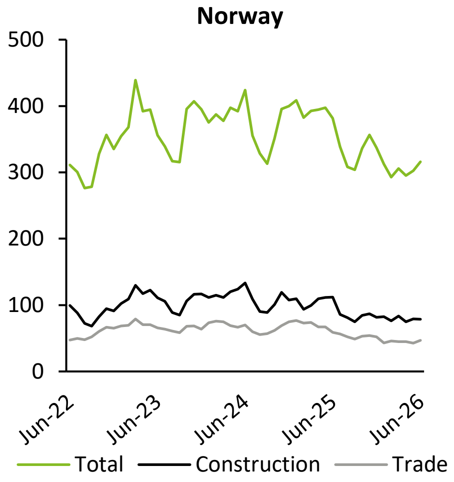
Business confidence, however, improved marginally across all Nordic countries in Q2 2026 relative to the previous quarter, supported by improved global trade sentiment following the US Supreme Court's decision to strike down the tariffs introduced last year.

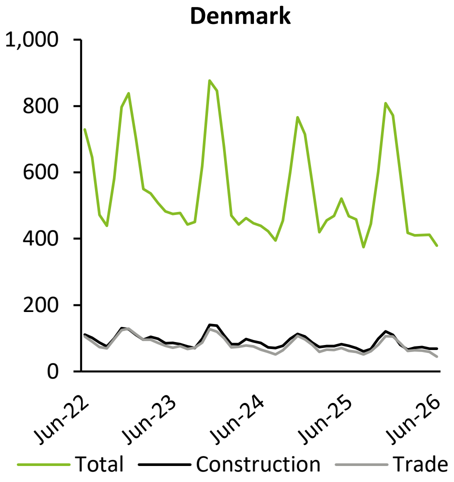
Sweden and Finland have recorded a sustained improvement in business confidence since 2025, underpinned by resilient industrial production and continued investment in strategic sectors, including defense, power transmission, data centers, and machinery.

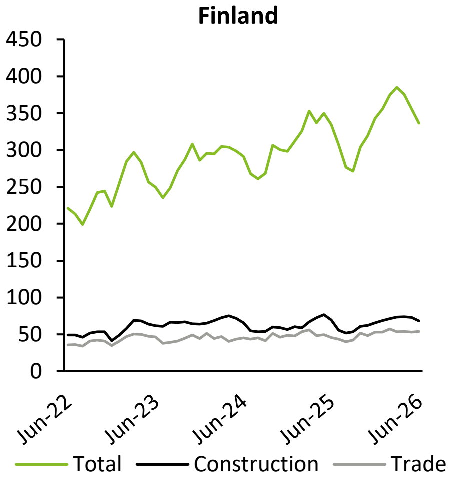
Source: OECD Economic Indicators; Statistics Iceland; Finans Norge

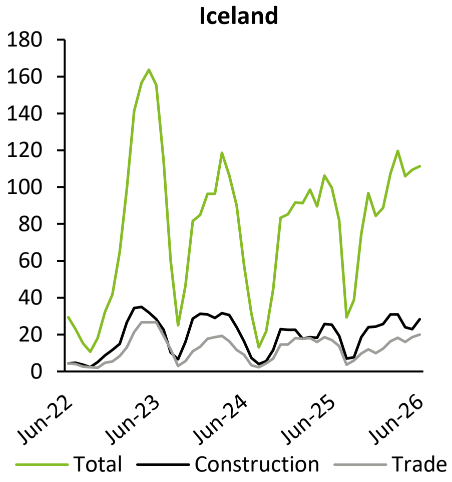
In Q2 2026, bankruptcies declined across all Nordic countries except Iceland and Finland, amid improving conditions in the trade and construction sectors.











In Q2 2026, average bankruptcies declined across most Nordic economies compared with the same period in 2025, except for Iceland and Finland. Iceland recorded the largest year-on-year increase in average bankruptcies, up by 11.7%, with average bankruptcies rising by 17.6% in the construction sector and by 11.8% in the trade sector.

Denmark also recorded a significant year-on-year decline of 19% in average bankruptcies. This was largely driven by a sharp 28% decrease in trade-sector bankruptcies. Tax cuts introduced at the beginning of the year supported household spending, boosting activity in retail trade and motor vehicle sales. Similarly, Norway registered a year-on-year decline of 17% in average bankruptcies, reflecting a 30% reduction in construction-sector bankruptcies and a 20% decline in the trade sector.

In contrast, Sweden recorded a modest decline of 6% in bankruptcies, primarily reflecting improved conditions in the trade sector amid lower inflation and reduced taxes. On the other hand, Finland recorded a rise of 0.5% on a year-on-year basis in Q2. The increase was driven mainly by an 18% rise in trade-sector bankruptcies, reflecting weak consumer confidence and subdued household spending.

Note: Presented in 3-month moving average. For Sweden, bankruptcies in trade represent the sum of bankruptcies in trading and services workshop for motor vehicles and motorcycles, consignment and commission trade except with motor vehicles, and retail trade except with motor vehicles and motorcycles

Source: Country-specific National Statistics Offices

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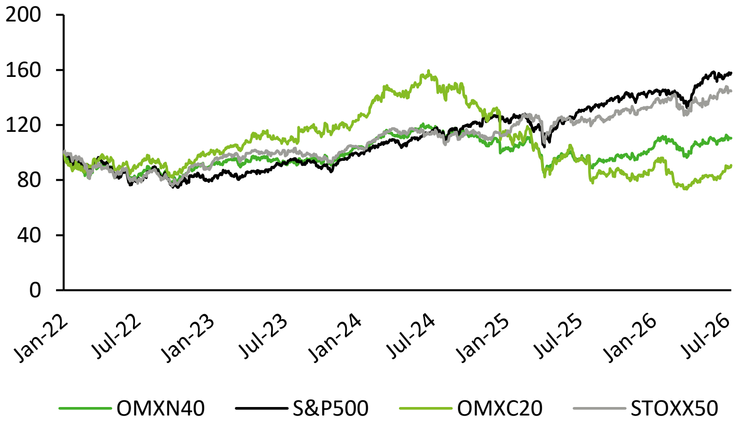
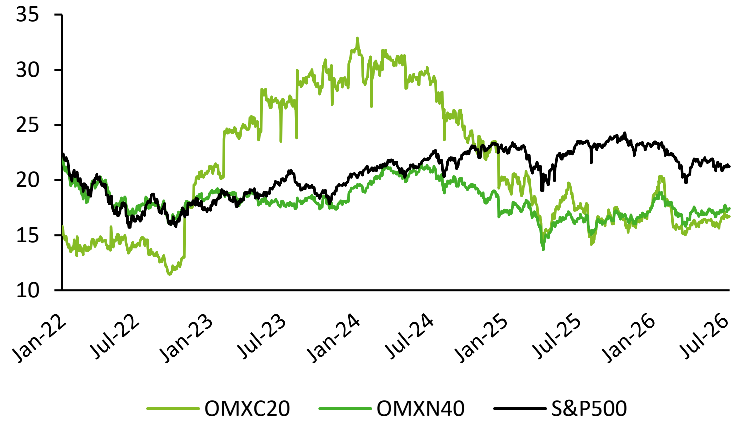
European equity markets rallied in June 2026, supported by easing trade policy uncertainty, strong corporate earnings, and the broadening of AI related investments beyond US and Asia.

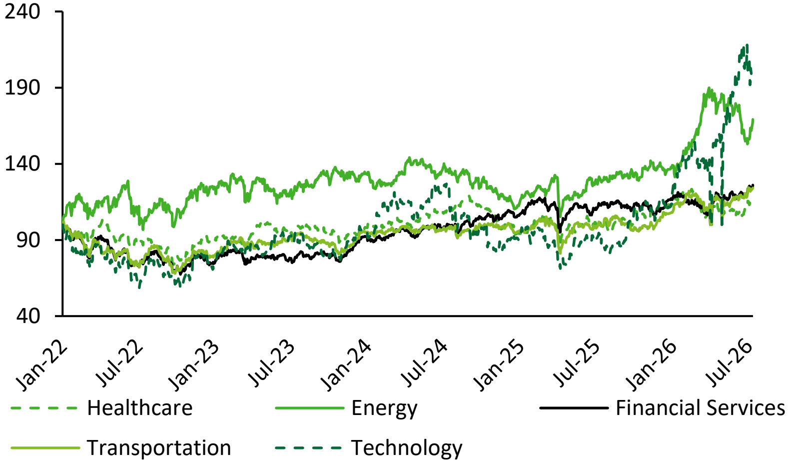
Equity market indices[1]



Forward P/E over the next 12 months



Equity markets: Sectoral indices in Europe[1]



US equity markets have been on an upward trajectory since April 2026, with the S&P 500 rising by 10.6% by mid July. The rally has been supported by easing trade policy uncertainty following the US Supreme Court's ruling on tariffs, stronger-than-expected corporate earnings, and continued optimism surrounding AI-driven investment.

Similarly, the Euro STOXX 50 gained 8.2% over the same period, driven by improving corporate earnings expectations, reduced trade-policy uncertainty, and strong performance in financials, industrials, and technology stocks.

Nordic equity markets also recorded gains. As of July 15, the OMXC20 had risen by 4.3% in 2026, while the OMXN40 advanced by 7.6%. In addition to the removal of US tariffs, gains in consumer goods and chemicals stocks lifted OMXC20. OMXN40 benefited from strong performance among financial and consumer goods companies.

As of 15 July 2026, the S&P 500 forward P/E ratio stood at 21.2, slightly below its three-year average of 21.7. The decline in valuations reflects the repricing of geopolitical and macroeconomic risks, including the renewed Middle East conflict, expectations of tighter monetary policy, and increased investor caution.

However, earnings expectations remain strong, supported by continued investment in AI and related sectors, with technology, hardware, industrial, and utility firms expected to benefit most.

Over the same period, the forward P/E ratio fell by 4.2% for Denmark's OMXC20, while Nordic OMXN40 remained broadly stable, with an increase of 0.4%. The drop in the OMXC20 reflects heightened investor caution amid high energy prices and shipping costs.

European equities posted strong gains in 2026. As of 15 July, technology led with a 74% increase, followed by energy (23%), transportation (15%), and financial services (8%).

Technology gains were driven by strong investor demand for European AI-related companies as portfolios diversified beyond US and Asian markets. Energy and transportation benefited from elevated energy prices and ongoing shipping disruptions, while financial services were supported by higher loan volumes, wider lending margins following recent rate hikes, and productivity gains from AI adoption.

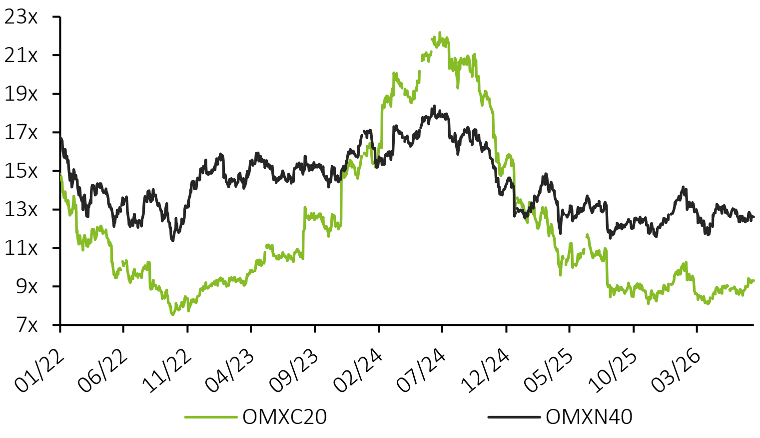
In contrast, the healthcare index declined 3.5% in 2026. The decline reflected concerns over US price caps on weight-loss and diabetes drugs, which weighed on pharmaceutical revenue expectations. In addition, the largest patent expiry of Novartis is resulting in significant sales loss and affecting its stock value.

Note: 1) Index – January 2022 = 100;

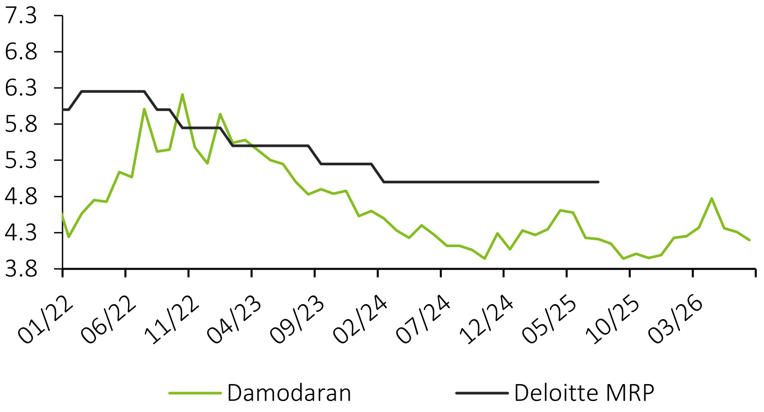
Source: Capital IQ, Deloitte calculations, Data updated as of 15 July 2026

Global bond markets face upward pressure on yields as energy-driven inflation and geopolitical risks sustain expectations of restrictive monetary policy.

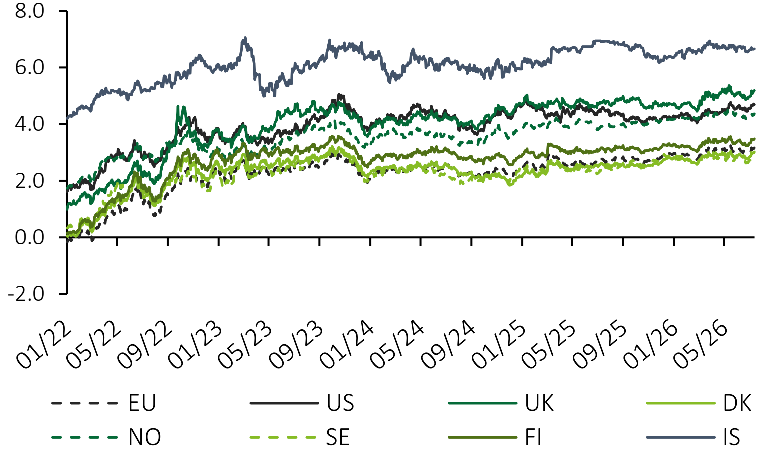
EV/ EBITDA multiple in Danish and Nordic indices



Equity market risk premium



10-year bond yields (%)[2]



EV/EBITDA multiples continued their downward trajectory in early 2026, extending the decline that began in mid-2024. Despite this, the OMXC20 gained 2% year-to-date as of July 15 and has risen by 7.7% since the onset of the Middle East conflict. The gains are attributable to strong performance in transport, logistics, shipping, and renewable energy companies, such as A.P.Moller – Maersk, DSV and Ørsted.

Over the same period, the OMXN40 fell by 1.45% year-to-date and by 3% since the start of the conflict, as rising energy, freight, and shipping costs eroded profit margins.

The equity risk premium (ERP) rose steadily between November 2025 and March 2026, reaching 4.37%. Since then, it has declined to 4.2% as of 1 July 2026. This reflects easing market uncertainty following the pause in the Middle East conflict and reduced concerns over US trade and tariff policies after the Supreme Court's tariff ruling.

US bond yields remained elevated in 2026. As of 15 July, the 10-year Treasury yield stood at 4.7%, up from 4.3% at the end of 2025. The increase reflects rising inflation, concerns over energy price pressures following the re-escalation of the Middle East conflict and worries about the growing US debt burden.

However, yields are expected to moderate as the pass-through effects of higher tariffs on inflation largely dissipate.

As of July 15, European bond yields have risen to 3.2%, around 30 basis points higher than at the end of 2025. This rise was driven by elevated energy prices and the ECB's rate hike in June. Geopolitical fluctuations in the Middle-East have raised expectations of further rate hike if energy prices remain elevated.

UK treasury yields increased significantly to 5.2% as of July 15, due to high energy costs and concerns over rising public debt, and anticipation of a more expansionary fiscal policy stance.

As of 15 July, bond yields had risen across the Nordic region year-to-date, driven by higher inflation, currency depreciation, and monetary policy tightening. Iceland recorded the largest increase, with yields reaching 6.6%, reflecting persistently high inflation and recent policy rate hikes. In contrast, Sweden saw the smallest rise, with yields at 2.93%, supported by lower inflation and a more accommodative monetary policy stance.

Note: 1) Zero-coupon yield,%-points; Data updated as of 15 July 2026

Source: Capital IQ, LSEG, Deloitte calculations, Damodaran.

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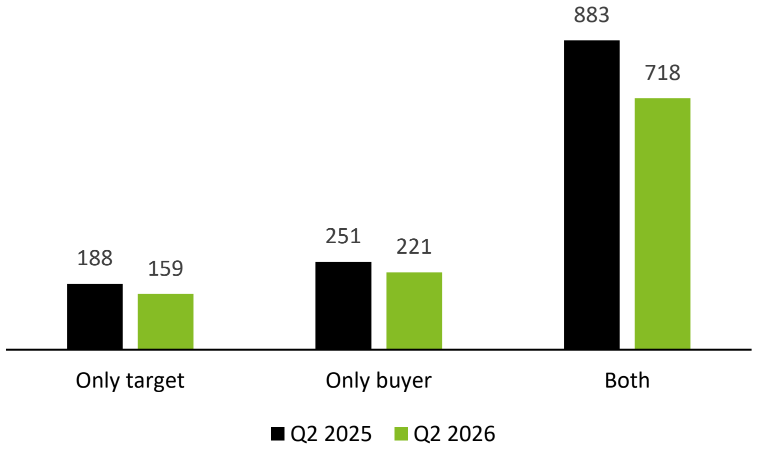
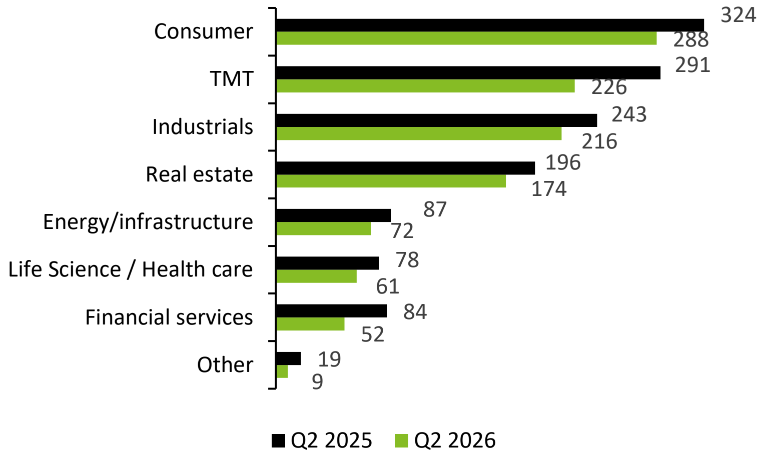
Nordic M&A activity softened in Q2 2026 as deal volumes fell, but overall deal mix remained broadly stable, with consumer, TMT, and industrials continuing to dominate and domestic deals accounting for a larger share of activity.

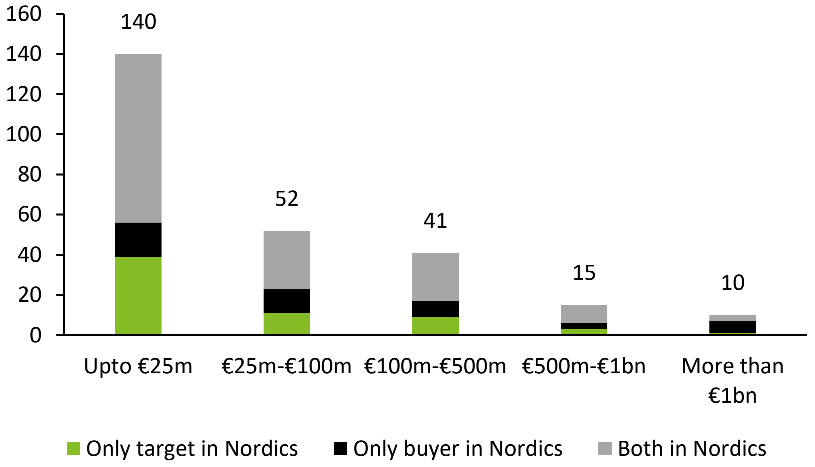
Position of Nordic countries in deals[1]



Total number of Nordic deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



M&A activity across the Nordic region weakened in Q2 2026, with total deal volume declining by 17% year on year to 1,098 transactions, compared with 1,322 in Q2 2025. All Nordic countries recorded declines of more than 10%, with Norway experiencing the steepest contraction at 20%.

While overall deal activity declined, intra-Nordic transactions remained dominant, accounting for 65% of total M&A transactions in Q2 2026, broadly unchanged from the previous year. The high share of regional transactions highlights the Nordic market's strong integration. Similar regulatory frameworks and well-developed capital markets have supported cross-border deals and regional consolidation. This trend has continued despite heightened geopolitical uncertainty.

Industry concentration within Nordic M&A activity increased marginally in Q2 2026. The three largest sectors—consumer goods (26.2%), TMT (20.6%), and industrials (19.7%)—together accounted for 66.5% of total deals, up slightly from 65% in Q2 2025.

Deal activity declined across all sectors. Financial services recorded the sharpest contraction, with deal activity falling by 38% compared with the same quarter last year, followed by TMT (22.3%) and healthcare (21.8%). Real estate and industrials were comparatively more stable, with each recording a smaller decline of 11%.

In Q2 2026, 258 M&A transactions had disclosed deal values, with a combined value of €85 billion, representing a 110% increase compared with the same period in 2025. As deal sizes increased, the share of transactions involving both a Nordic buyer and a Nordic target declined, indicating limited intra-regional participation in higher-value deals.

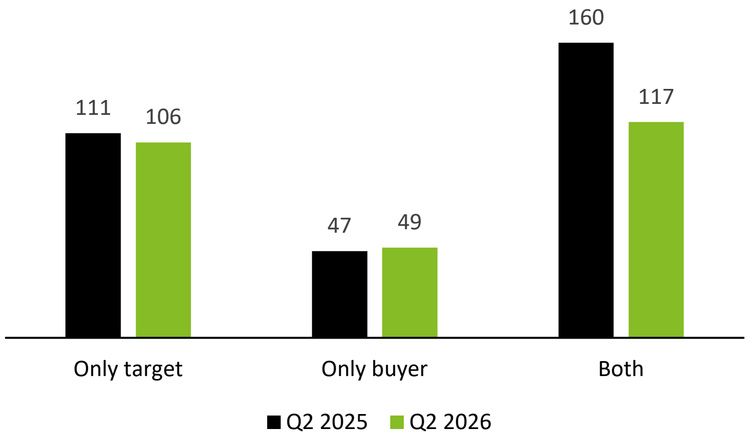
Of the 10 transactions valued above €1 billion, 6 involved a Nordic buyer acquiring a non-Nordic targets, highlighting a shift towards outbound M&A in large-scale deals. Notable transactions included Kone Oyj's €29.4 billion acquisition of TK Elevator GmbH, EQT's €12.3 billion acquisition for Intertek Group plc and €2.3 billion acquisition of Kakaku.com Inc., and Hexagon AB's €3.9 billion spin-off of its Lifecycle Intelligence business into the separately listed Octave Intelligence plc.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark, Norway, Sweden, Finland and Iceland. 2) We have shown only those deals that have disclosed deal value as of 15 July 2026 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark, Norway, Sweden, Finland and Iceland. "M&A activity" is used broadly to include acquisitions, divestments, and debt or equity raises.

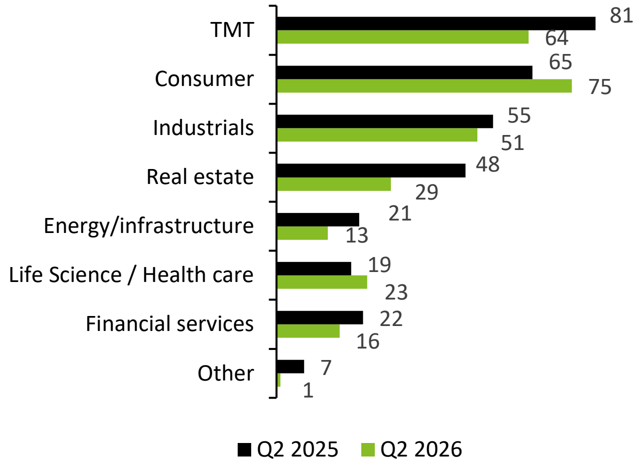
Note: Mergermarket – Data is extracted from Mergermarket on 15 July 2026. Comparisons with previous periods are based on the latest available data from Mergermarket as of **15 July 2026**. The geographical location of deals is based on the target's location, unless otherwise specified.

Danish M&A activity declined in Q2 2026 with 272 deals, driven by a significant drop in domestic transactions and lower activity across TMT, real estate, energy, and financial services.

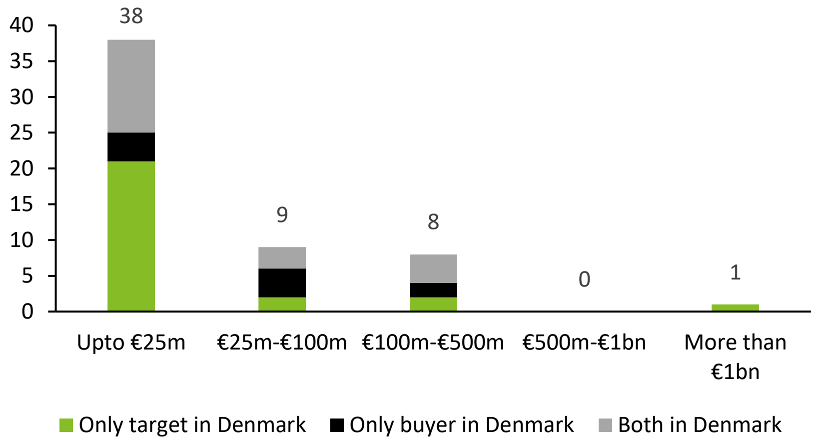
Position of Danish firms in deals[1]



Total number of Danish deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



M&A activity in Denmark declined by 14.5% in Q2 2026, with deal volume falling to 272 from 318 in the same quarter last year. This reflects heightened investor caution amidst geopolitical uncertainties.

Domestic M&A activity in Denmark experienced a sharp decline, with deals involving both Danish buyers and target decreasing by 27% to 117 from 160. Similarly, transactions involving only Danish target also fell modestly by 5%, from 111 in Q2 2025 to 106 in Q2 2026. Deals involving only Danish buyers saw a slight uptick of 4%, marking the only growth among all ownership types.

Industry concentration in M&A activity in Denmark increased in Q2 2026, with the three largest sectors—consumer goods, TMT, and industrials—accounting for 70% of total deal volume, increasing from 63.2% in Q2 2025. TMT, consumer goods, and Industrials sectors shared was approximately 24%, 28%, and 19%, respectively.

Among the sectors, M&A activity increased only for healthcare and consumer goods, with a growth of 21% and 15%, respectively. In contrast, real estate experienced the sharpest decline of 40%, falling from 48 to 29 deals during the same period, followed by energy (38%), financial services (27%), and TMT (21%).

Of the 272 deals announced in Q2 2026, only 56 had disclosed values. Smaller transactions dominated the Danish M&A landscape, with 68% of disclosed deals valued below €25 million. Only 1 high-value transaction, exceeding €1 billion, was recorded during the quarter.

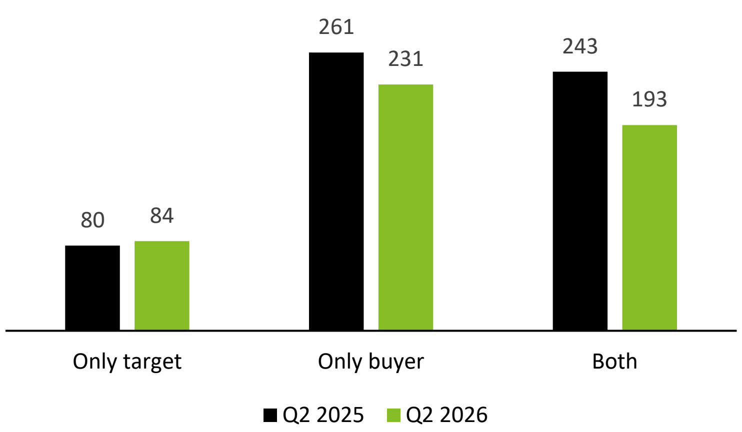
The largest transaction involved Blackstone's acquisition of a 24.7% stake in Eurowind Energy A/S for €2 billion, representing an inbound investment into a Danish target by a non-Nordic buyer. The largest domestic transaction involved Chr. Augustinus Fabrikker A/S's acquisition of Louis Poulsen A/S for €470 million.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark. 2) We have shown only those deals that have disclosed deal value as of 15 July 2026 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark. "M&A activity" is used broadly to include acquisitions, divestments, and debt or equity raises.

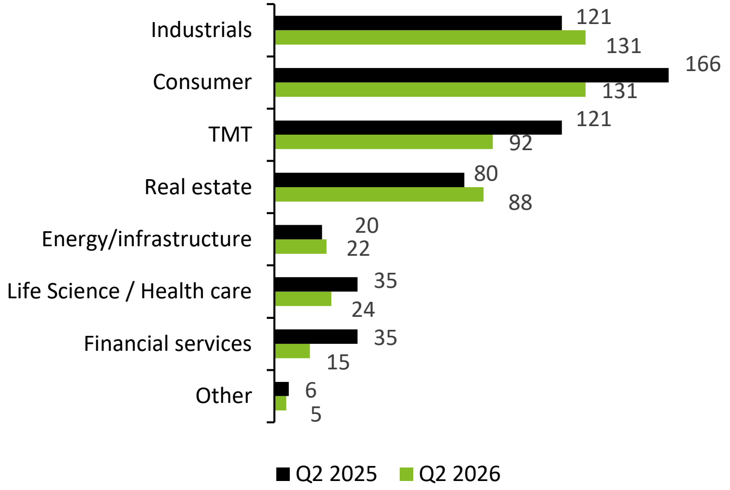
Source: Mergermarket – Data is extracted from Mergermarket on 15 July 2026 . Comparisons with previous periods are based on the latest available data from Mergermarket as of 15 July 2026 . The geographical location of deals is based on the target's location, unless otherwise specified.

Swedish M&A activity softened in Q2 2026, with deal volumes declining 13% and buyers increasingly pursuing high-value opportunities in international markets.

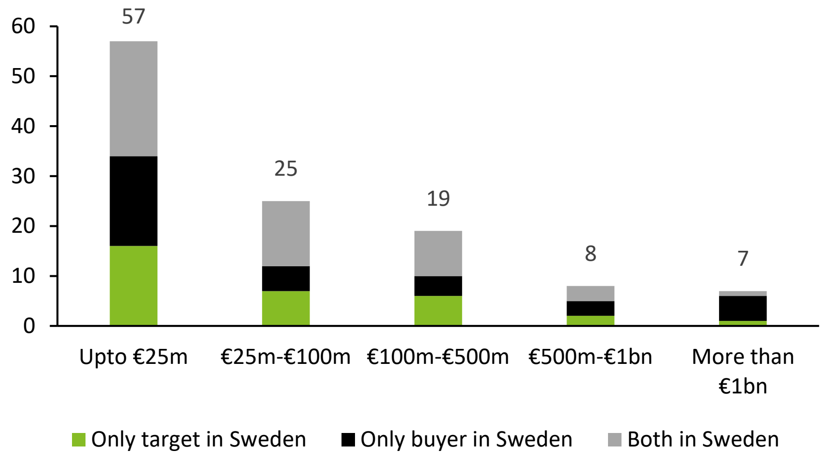
Position of Swedish firms in deals[1]



Total number of Swedish deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



Sweden's M&A activity declined in Q2 2026, with deal volume falling by 13% to 508 transactions, compared with 584 deals in the same period of 2025. Swedish buyers continued to play a dominant role, accounting for 83% of total M&A activity.

Domestic M&A activity weakened significantly, with intra-Swedish transactions declining sharply by 20.6% year on year to 193 from 243. Deals involving only Swedish buyers also decreased, falling from 261 to 231 over the same period last year. In contrast, deals involving only Swedish targets increased by 5%, suggesting continued interest in domestic assets amid more heightened geopolitical uncertainty.

Industry concentration in M&A activity remained broadly stable in Q2 2026, with industrials, consumer goods, and TMT sectors collectively accounting for 70% of total deal volume. Each of the three sectors contributed more than 20% of transactions during the quarter..

The overall decline in deal activity was largely driven by a sharp decline in the financial services sector, where deal volume fell by 57%. This was followed by declines in healthcare (31%), TMT (24%), and consumer goods (21%). In contrast, real estate and energy sectors recorded the strongest growth, with deal activity increasing by 10% each, while industrials also saw gains of 8%.

Of the 508 M&A transactions announced in Q2 2026, only 116 had disclosed values. Smaller transactions valued below €25 million made up nearly 50% of the total disclosed deals, followed by deals in the €25 million to €100 million range, which accounted for a further 22%.

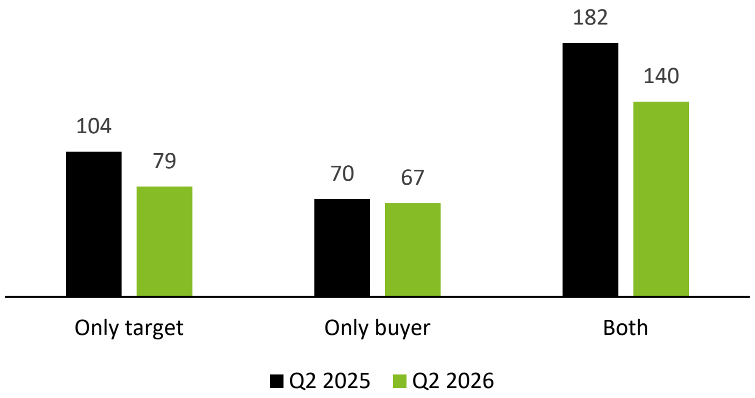
Swedish buyers participated in 5 high-value cross-border transactions exceeding €1 billion. Additionally, of the 15 deals exceeding €500 million, 53% of the deals involved Swedish buyers acquiring foreign targets, reinforcing the trend of increased outbound M&A activity as Swedish companies pursue growth opportunities outside the domestic market.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Sweden. 2) We have shown only those deals that have disclosed deal value as of **15 July 2026** and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Sweden. **"M&A activity" is used broadly to include acquisitions, divestments, and debt or equity raises.**

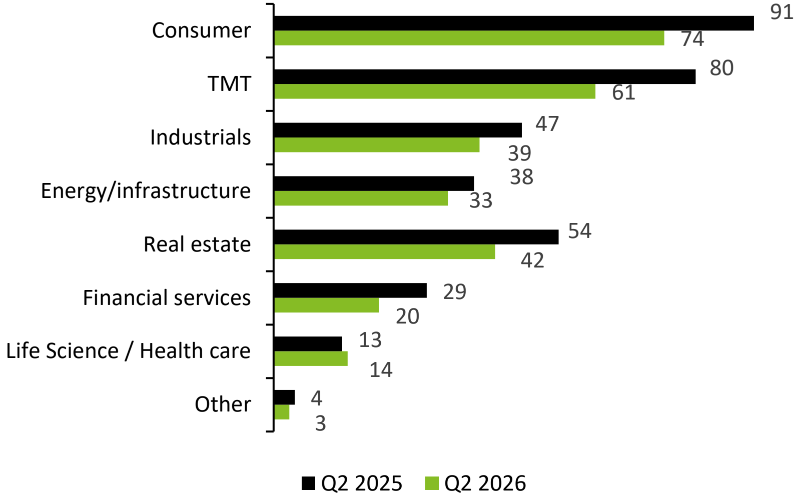
Source: Mergermarket – Data is extracted from Mergermarket on 15 July 2026. Comparisons with previous periods are based on the latest available data from Mergermarket as of **15 July 2026** . The geographical location of deals is based on the target's location, unless otherwise specified.

Norwegian M&A deal volumes decreased in Q2 2026 across all ownership types, highlighting increased economic uncertainty and investor caution, while only healthcare saw higher deal origination.

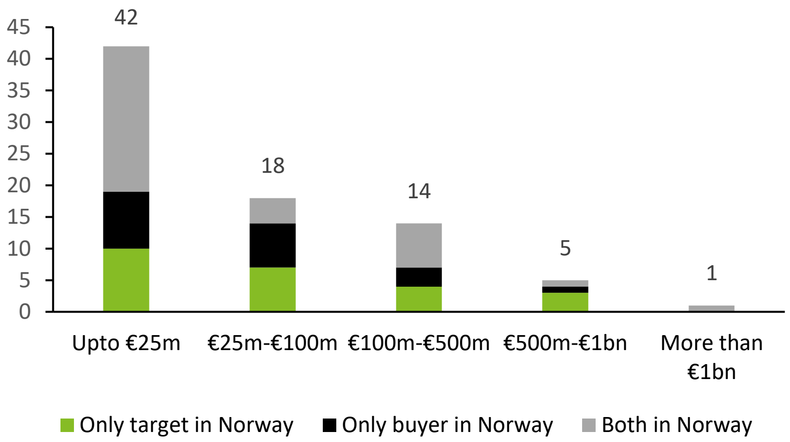
Position of Norwegian firms in deals[1]



Total number of Norwegian deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



M&A activity in Norway declined by 20% in Q2 2026, with deal volumes falling to 286 transactions from 356 in the same period of 2025.

The slowdown was broad-based across ownership structures. Deals involving only Norwegian targets dropped sharply by 24%, while domestic M&A activity declined by 23% and transactions involving only Norwegian buyers fell by 4%. The decline reflects heightened economic uncertainty and increased caution among investors during the period.

Industry concentration in Norwegian M&A activity remained stable over the period, with the three largest sectors—consumer, TMT, and industrials—together accounting for 61% of total transactions.

Deal volumes fell across all sectors, with the financial services sector experiencing the sharpest contraction, falling by 31%, followed by TMT (24%), real estate (22%), consumer goods (19%), and industrials (17%).

Of the 286 deals announced in Q2 2026, only 80 had disclosed values, limiting the ability to make a direct comparison of total transaction value with 2025. Overall, small deals valued below €25 million accounted for more than 40% of the disclosed deals, followed by deals between €25 million and €100 million, which represented 23% of the total deals.

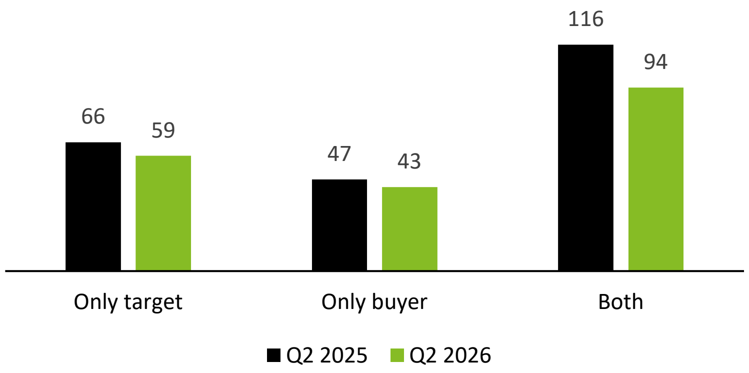
Of the 6 high-values deals exceeding €500 million, 3 involved foreign buyers acquiring Norwegian targets and were concentrated in industrials and energy sectors. The only deal over €1 billion was a domestic transaction, in which Kongsberg Gruppen ASA completed the spin-off of its maritime business, Kongsberg Maritime AS, into a separately listed company.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Norway. 2) We have shown only those deals that have disclosed deal value as of **15 July 2026** and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Norway. **"M&A activity" is used broadly to include acquisitions, divestments, and debt or equity raises.**

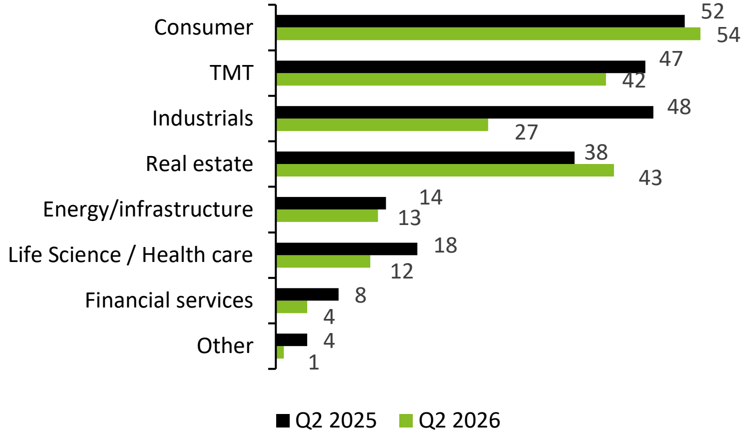
Source: Mergermarket – Data is extracted from Mergermarket on **15 July 2026** . Comparisons with previous periods are based on the latest available data from Mergermarket as of **15 July 2026** . The geographical location of deals is based on the target's location, unless otherwise specified.

Finnish deal activity contracted in Q2 2026, driven by weaker momentum in industrials, TMT, and healthcare, although consumer goods and real estate registered an increase in transaction volumes.

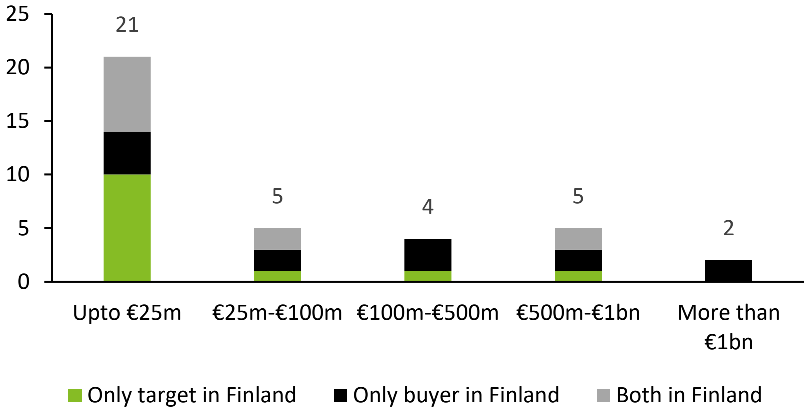
Position of Finnish firms in deals[1]



Total number of Finnish deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



M&A activity in Finland weakened in Q2 2026, with deal volume declining by 14.4% to 196 transactions, compared with 229 in the same period last year. The downturn was mainly driven by a 19% reduction in domestic transactions involving both Finnish targets and buyers.

Transaction involving Finnish targets also recorded a downward revision, decreasing from 66 to 59 over the period in 2025. The broad-based reduction in deal activity across all ownership types reflects subdued dealmaking amid weaker economic conditions and continued market uncertainty in Finland.

Industry concentration in Finland's M&A activity remained broadly stable in Q2 2026, with the consumer goods, TMT, and industrials sectors together accounting for 62.8% of total deal volume, down slightly from 64.2% in Q2 2025. Within the three largest sectors, the contribution of consumer goods increased from 23% to 28%, while industrial's share decreased from 21% to 14%.

The sharpest decline in deal activity was in financial services, with transactions down by 50%, followed by industrial sector by 44%, and healthcare by 33%. In contrast, real estate and consumer goods were the only sectors to register growth, with deal volumes increasing by 13% and 4%, respectively.

Of the 196 deals in Q2 2026, only 37 had disclosed values over the period. Smaller deals dominated Finland's M&A landscape, with 81% of disclosed transactions valued below €100 million. These disclosed small deals were spread evenly across domestic and cross-border transactions.

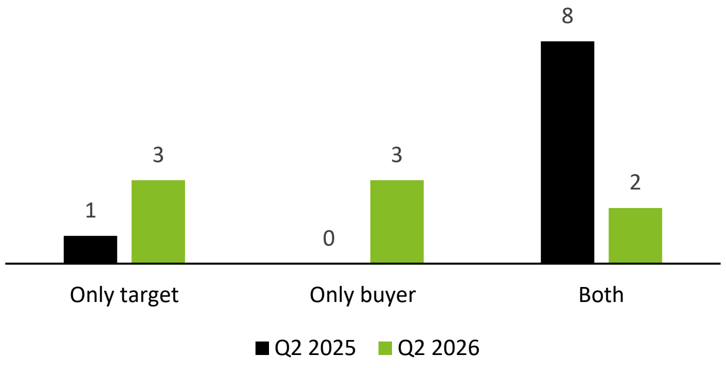
7 disclosed deals were high-value transactions exceeding €500 million, including 2 cross-border investments by Finnish buyers, exceeding €1 billion, indicating sustained interest in foreign markets.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Finland. 2) We have shown only those deals that have disclosed deal value as of **15 July 2026** and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Finland. **"M&A activity"** is used broadly to include acquisitions, divestments, and debt or equity raises.

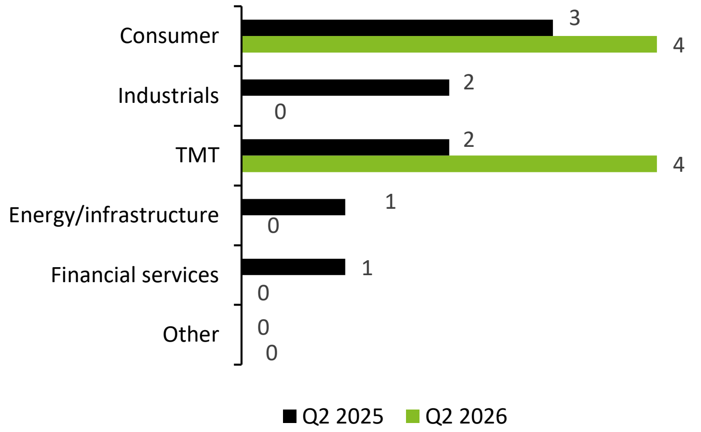
Source: Mergermarket – Data is extracted from Mergermarket on **15 July 2026** . Comparisons with previous periods are based on the latest available data from Mergermarket as of **15 July 2026**. The geographical location of deals is based on the target's location, unless otherwise specified.

Iceland’s M&A market remained stable in Q2 2026, with deal activity spanning multiple ownership types and concentrated in consumer goods and TMT.

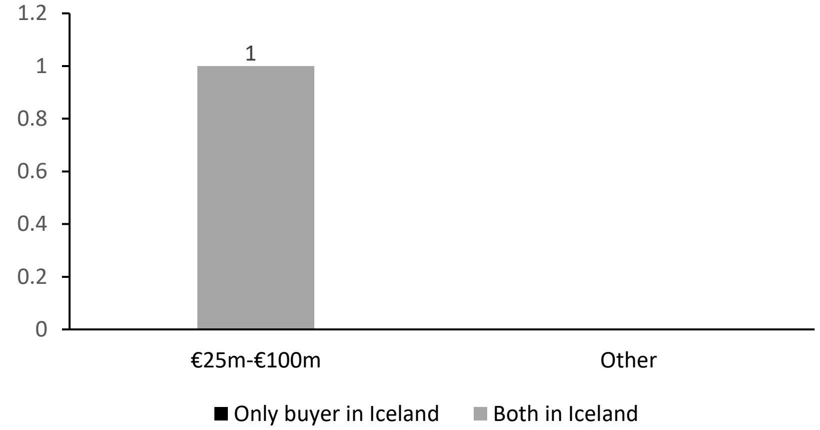
Position of Icelandic firms in deals[1]



Total number of Icelandic deals by sector[1]



Number of deals as per deal value bands in Q2 2026[2]



M&A activity in Iceland remained broadly stable in Q2 2026, with deal volumes falling to 8 from 9 in the same period last year.

However, the composition of the transactions shifted noticeably. In Q2 2025, domestic deals dominated Iceland’s M&A market, with transactions involving Icelandic targets and buyers accounting for 8 of the 9 deals. By contrast, M&A activity was more evenly distributed across ownership types in Q2 2026, comprising 3 outbound deals (Icelandic buyers), 3 inbound deals (Icelandic targets), and 2 domestic transactions.

Industry concentration in Iceland's M&A market increased significantly in Q2 2026, with deal activity limited to just two sectors—consumer goods and TMT.

Compared to Q2 2025, there were no transactions in industrial, energy, and financial services sector. In contrast, deal activity strengthened in TMT and consumer goods sector, each recording 4 transactions during the quarter.

Of the 8 deals announced in Q2 2026, only 1 had disclosed value so far. The disclosed transaction fell within the €25 million to €100 million deal size and involved domestic target and buyer in the TMT sector.

Iceland recorded the lowest number of deals in the Nordic region, highlighting the relatively nascent nature of its M&A market.

Note: 1) The number of deals includes announced deals, excluding lapsed/withdrawn bids in Iceland. 2) We have shown only those deals that have disclosed deal value as of **15 July 2026** and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Iceland. **“M&A activity” is used broadly to include acquisitions, divestments, and debt or equity raises.**

Source: Mergermarket – Data is extracted from Mergermarket on **15 July 2026** . Comparisons with previous periods are based on the latest available data from Mergermarket as of **15 July 2026** . The geographical location of deals is based on the target’s location, unless otherwise specified.

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The Deloitte Economics Outlook consolidates the latest macroeconomic and M&A insights making it easy for you to quickly access the information you need

Our approach

In the fast-paced world of professional life, carving out time to delve into comprehensive financial analyses and gain a nuanced understanding of the latest economic trends can feel like a daunting task. The challenge only grows when seeking detailed insights in M&A activity as well.

With the Deloitte Economics Outlook, we have done the work for you.

Data foundation

The report consolidates high-quality data from some of the most credible sources complemented by Deloitte's own insight and data.

Our most-used sources are listed below

Bank for International Settlements	OECD
Economic Intelligence Unit	National statistics offices
European Central Bank	National government data
Eurostat	Regional and national banks
Federal Reserve Bank of Saint Louis	S&P Capital IQ
International Monetary Fund	World Bank
LSEG	World Integrated Trade Solution (WITS)
Mergermarket	World Trade Organisation

What the Deloitte Economics Outlook provides

A **consolidation of data from many sources**

Deloitte's **in-depth and industry insights** based on our position as the worlds' largest consultant and audit company

An **easily accessible overview** of not just **macroeconomic trends, but also market-specific and M&A insights**

Deloitte's **independent view** on the current economic situation and outlook

We strive to be like no other economic advisor providing each client with bespoke solutions that meet unique needs. Our diverse team excels in delivering innovative, tailored, and robust advisory services, even on very short notice

Economic modelling and forecasting
Economic and climate modelling, quantitative scenario analysis; macroeconomic forecasting; demand forecasting; empirical demand, supply and elasticity analysis

Optimisation and prioritisation
Cost-benefit analysis; profitability analysis; project/service feasibility; allocative & technical efficiency reviews; behavioural economics; cost-utility analysis; risk benefit analysis

Strategic insight
Market analysis, benchmarks, competitive landscape assessment strategic feasibility studies, industry trends and forecasts, policy impact analysis, stakeholder engagement strategies

Impact assessment and valuation
Economic, social and environmental impact assessment; life cycle assessment; ESG and impact valuation; well-being economics; strategy advisory

ESG M&A due diligences and strategic advisory
ESG readiness assessments and full due diligences, including materiality and performance assessments, and financial, commercial (value and risk), and regulatory considerations; strategic advice regarding ESG and sustainability as a commercial value driver and risk mitigation strategy

How we support our clients navigating in an uncertain and complex environment

Sustainable transformation

- Capturing the total value of an investment
- Measuring the impact of an intervention
- Monitoring and assessing sustainable progress

Regulatory developments

- Assessing the costs and benefits of future or past legislation for economic actors and society
- Defining strategic and financial response to regulatory developments

Increased geopolitical uncertainty

- Performing scenario analysis, modelling and planning
- Mitigating trade and supply chain disruptions
- Understanding and mitigating risk exposures

Macro considerations

- Macro trends, demography, and long-term growth trajectories
- Independent short-term forecasts of key macro indicators and demand and supply patterns
- Inflation, monetary and fiscal stance

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Our geoeconomic trade advisory services offer strategic foresight to navigate today's uncertainty

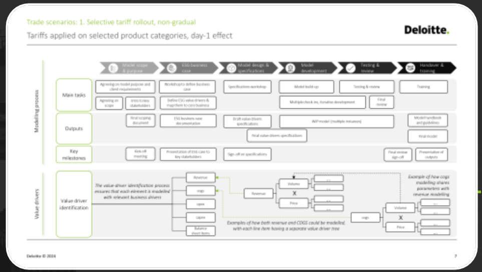
Deloitte can help you navigate today's geopolitical uncertainties, with dedicated analytic capabilities on trade issues.

How can tariffs or trade routes disruptions impact your business and that of your partners in the short and longer term? What are the implications for your bottom line? Should you reconfigure your value chain, and if so, which considerations should you have in mind?

Our analytics solution brings a strategic answer to these questions, powered by international trade flow models down to product level, supplemented by value chain analysis leveraging disaggregated input-output models.

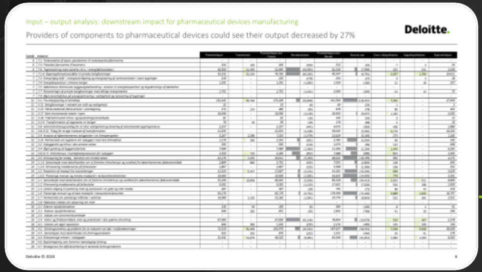
"What if" scenarios and quantitative analysis

- What are the likely scenarios to affect my industry?
- what would be the consequences in terms of trade flows reconfiguration?
- Where are "safe havens" for my business?



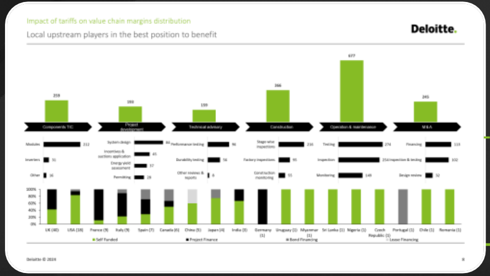
Value chain analysis and reconfiguration

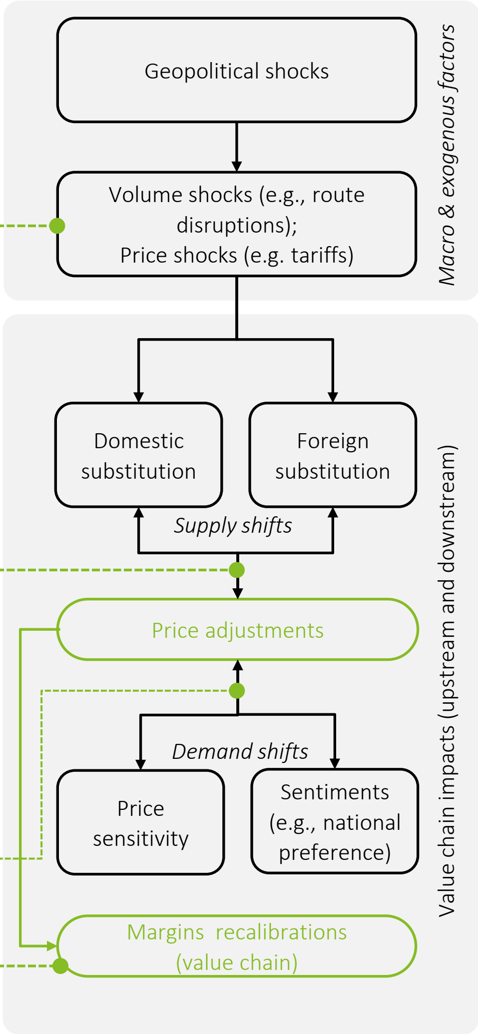
- How will the competitiveness of my products will be affected in export markets?
- How will I be affected as a supplier to large exporters?
- What potential issues lie with my suppliers or my customers?



Profitability impact analysis

- How are margins likely to be recalibrated across the value chain?
- How can I respond (reshoring, M&A, divestment)?
- Where are the islands of profitability?





Deloitte insights

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