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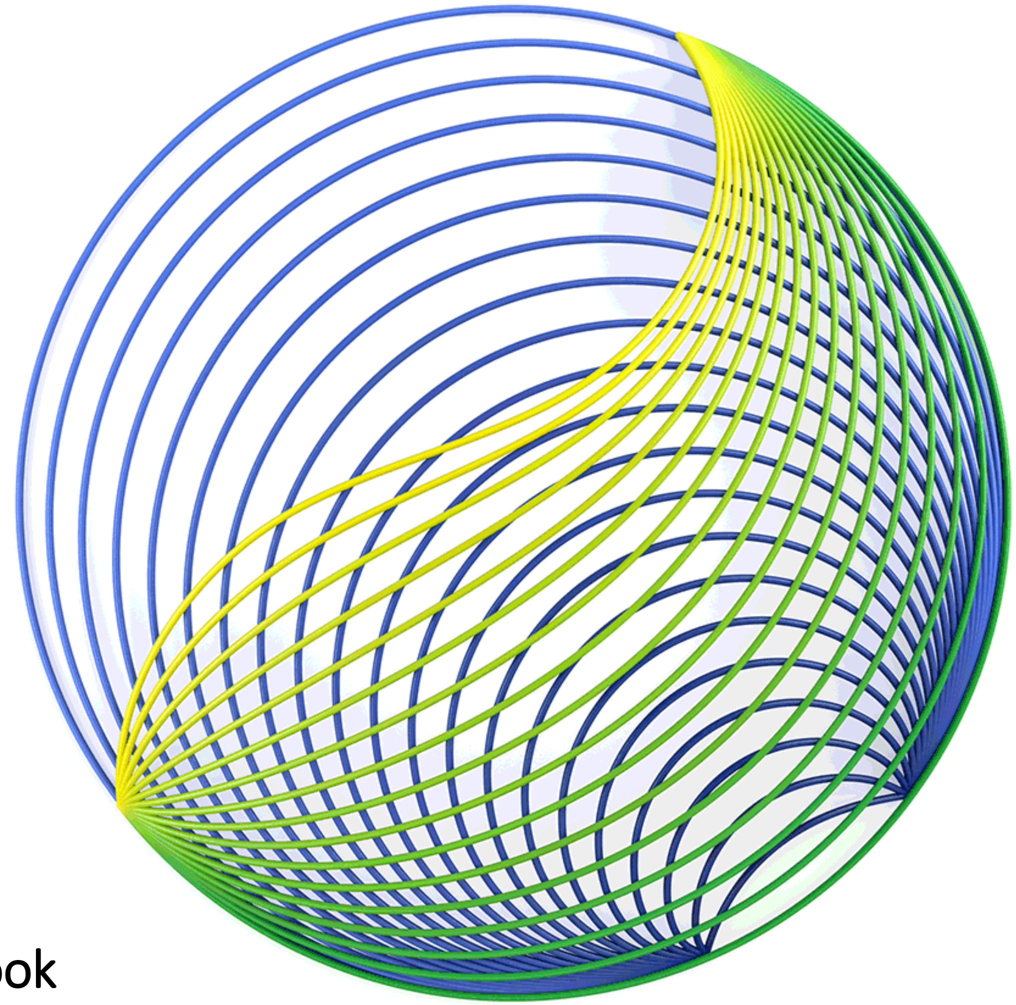

The Deloitte Economics' Outlook

Resilience in the Nordics: Growth Momentum Persists Amid Global Headwinds

Deloitte Economics, December 2025

Strategy, Risk and Transaction Advisory

Overview from **Deloitte** Economics

Global economic growth is projected to moderate, albeit slightly, from 3.2% in 2025 to 3.1% in 2026, with advanced economies expanding at 1.7% and emerging markets at 3.8%. Geopolitical tensions, trade fragmentation, and fiscal vulnerabilities have weakened consumer spending and business investment, while tight financial conditions and limited fiscal space continue to constrain growth. Productivity gains remain elusive, and risks are tilted to the downside amid protectionism, commodity price shocks from climate events and geopolitical tensions, which could amplify the slowdown and reignite inflationary pressures.

Unlike the global economy, the US growth is expected to improve slightly from 2.0% in 2025 to 2.1% in 2026, driven by sustained investment in artificial intelligence despite weakening overall momentum. Unemployment is likely to remain above 4%, inflation could rise above 3%, and consumer confidence remains subdued, reflecting persistent structural challenges.

The Euro Zone is projected to grow at 1.1% in 2026, 0.1%-point lower than in 2025, as higher tariffs, weakening foreign demand, and lower confidence levels weigh on investment and consumption. These challenges may continue to subdue growth in the Euro area.

The Nordic region is, however, expected to remain relatively resilient despite global uncertainties. Sweden's GDP growth is forecast to rise from 1.6% in 2025 to 2.6% in 2026, supported by fiscal stimulus in defense and monetary easing as inflation is expected to reach 1.2%, though unemployment remains high at 8.4%.

Denmark continues to perform strongly, with growth at 2.2% in 2026, inflation below target, and low unemployment. Iceland is poised for a modest recovery with 2.1% growth, driven by a rebound in private consumption, exports, and investment.

Norway is expected to grow at 1.6%, up 0.3%-points from 2025, with inflation at 2.4% amid cost pressures and unemployment at 4.2%. Finland remains the weakest performer, with a tepid growth of 1.2%, high unemployment, and stagnant household demand and exports.

On the monetary side, all Nordic countries except Norway cut policy rates by 1%-point in 2025 to support growth as inflation subsided, while Norway eased its policy rate by 0.5%-point due to persistent price pressures. In 2026, Finland may pursue further rate cuts to stimulate growth, while Sweden and Denmark are expected to hold rates steady amid volatility. Norway and Iceland face limited flexibility as high inflation and contracting activity weigh on policy options.

Equity markets show a sharp divergence globally. The US market surged, with the S&P 500 reaching a record high of 6,910 on October 29 and gaining 15% by late November, driven by technology and energy shares, solid corporate performance, and a surge in AI-related investments. The Euro STOXX 50 rose 14%, supported by attractive valuations and improved competitiveness with its rivals amid US tariffs. Nordic indices, however, remain under pressure, with the OMXC20 down 29% and the OMXN40 down 6%, reflecting weakness in major firms such as Novo Nordisk, Ørsted A/S, Coloplast A/S, and Evolution AB amid policy uncertainty and international competition.

Within this equity market divergence, Nordic deal-making softened, with M&A volumes down 4% in Q3 2025 to 1,059 deals compared to 1,103 a year earlier. The slowdown was uneven. Denmark, Sweden, and Finland posted declines, while Norway and Iceland saw modest gains, reflecting selective cross-border opportunities despite broader uncertainty.

Despite near-term challenges, the Nordic region's strong structural fundamentals and prudent fiscal management will help navigate volatility and sustain medium-term stability. Risks remain skewed to the downside, but institutional strength and fiscal stimulus, particularly in defense, position the region for resilience over the medium term.

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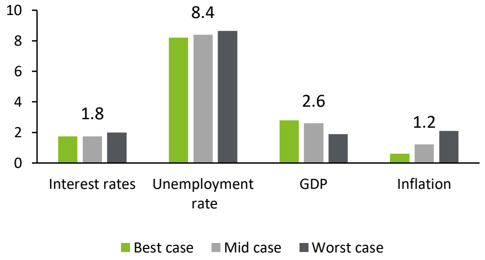
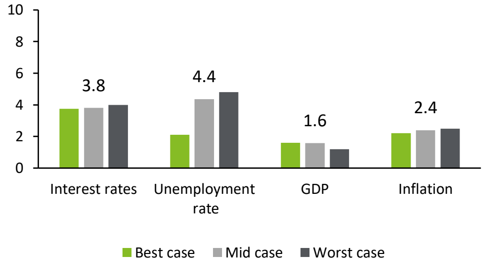
In 2026, the Nordic region is expected to remain resilient, led by Sweden, Denmark, and Iceland, largely supported by fiscal stimulus, moderating inflation, and monetary expansionary policies.

Sweden



- The largest Nordic economy is forecast to lead with 2.6% growth in 2026, a sharp improvement from the 1.6% expansion in 2025, largely driven by household consumption and fiscal stimulus, particularly in government investment on defense.
- Inflation is expected to moderate to 1.2%, well below the target, driven by weakening export demand. Meanwhile, unemployment remains elevated at 8.4%, indicating a continued weak labor market amid subdued private investment due to ongoing policy uncertainties.
- The Riksbank is expected to maintain its policy rate over the next quarter, signaling a cautious stance amid ongoing economic volatility.
- The medium-term outlook is clouded by downside risks stemming from global trade tensions and policy unpredictability, which could further weigh on investment and external demand.

Norway



- The Norwegian economy is projected to grow by 1.6% in 2026, marking an increase of 0.3%-points from the 2025 forecast. This improvement is primarily driven by stronger household demand, supported by rising real wages.
- However, inflation is expected to remain elevated at 2.4%, still above the 2% target, although lower than the 2025 level. This persistent price pressure leaves limited room for the central bank to ease monetary policy further.
- Meanwhile, the labor market remains tight, with the unemployment rate holding steady at 4.4%, underscoring continued economic resilience.
- The Norges Bank is likely to adopt a cautious stance and maintain the policy rate at 3.75% to contain inflationary risks.

Denmark

- Danish GDP is projected to grow by 2.2% in 2026, 0.4%-points higher than in 2025, supported by stronger export demand from the Euro area and other Nordic countries, strong domestic consumption, and rising investment, which will be partially offset by fading US exports.
- Inflation is expected to ease to 1.7%, below the central bank's target, driven by potential tax cuts and higher household savings. Unemployment is forecast to remain below 3%, although job growth is expected to slow.
- After a sharp policy rate cut, the central bank is expected to hold interest rates steady, following the ECB amid low inflation and stable exchange rate.
- The pharmaceutical sector faces rising competition and softening demand, making it vulnerable to global trade tensions and weighing on its medium-term outlook.

Finland

- The Finnish economic outlook is expected to remain weak, with a slight improvement in its growth rate from 1% in 2025 to 1.2% in 2026, as lower interest rates and reduced inflation improve consumers' purchasing power, partly offset by weak investment demand amid policy uncertainty.
- Unemployment is forecast to remain elevated at 9.2% in 2026, reflecting sluggish economic momentum and limited job creation.
- On the positive side, inflation is expected to stay below 2% amid weak export demand, allowing room for interest rate cuts aimed at supporting growth.
- Despite supportive monetary policy, Finland's medium-term outlook remains vulnerable to global economic slowdown and trade-related uncertainties, which could further dampen recovery.

Iceland

- Iceland is expected to grow by 2.1% in 2026, a 0.3%-point increase from the 2025 level, supported by a gradual recovery in household consumption, rebounding exports, and business investment.
- The recent increase in tariff rates in rival countries may provide some comparative advantage for US exports; however, the indirect impact of reduced US purchasing power is expected to weigh on Iceland's exports, as the US remains its second-largest trading partner.
- With monetary tightening, the country could reduce inflation further to 3.2%, though it remains significantly above the target rate of 2%, indicating lingering price pressures in the economy.
- Unemployment is expected to hold steady at 4.0%, reflecting a tight labor market as economic growth improves.

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

An economic framework for assessing the 2026-2027 outlook

Trade policies, AI investments, and geopolitical tensions are reshaping trade and growth prospects, unsettling financial markets, and prompting reactive fiscal and monetary responses.

Range of possible outcomes

	Optimistic outcome	Pessimistic outcome
Trade policy uncertainties	The finalisation of US bilateral trade agreements with China and the EU is expected to ease trade policy uncertainties significantly. Further rollback of US tariffs would reinforce this positive momentum, reducing friction in global trade. In addition, renewed efforts toward regional trade agreements signal a shift toward greater economic cooperation. Importantly, the inflationary impact of tariffs remains contained, supporting a stable macroeconomic environment and improving prospects for global growth.	Retaliatory measures and prolonged bilateral disputes continue to erode investor confidence, creating heightened uncertainty in global trade. The ongoing reconfiguration of trade flows places significant strain on the European industrial base, undermining competitiveness and growth prospects. Meanwhile, tariffs and retaliatory tariffs trigger an uptick in inflation, adding pressure to monetary policy and further complicating the economic outlook.
AI boom and shocks to labour supply	AI investment surge continues to boost growth in some markets (e.g., US), while productivity growth starts to materialise without an excessively high adverse impact on the labour market.	AI accelerates efficiency gains, but continued labour shedding and declining vacancies suppress labour demand, offsetting productivity improvements. This may also adversely impact social cohesion and public finances.
Financial markets	US equity markets avoid an abrupt correction, moving from moderate growth to a moderate adjustment. The Federal Reserve continues to demonstrate independence, easing policy rates, while confidence in US Treasury bonds remains strong.	These could unfold independently or concurrently: • A bursting US equity bubble hits global confidence and growth prospects • A retreat from US Treasuries triggers a budget shock and drives investors into alternative safe havens (gold, bonds, CHF). • A crypto-market collapse spills into the real economy as conventional investors unwind growing exposures.
Geopolitical tensions	Peace in the Middle East holds, the war in Ukraine ends—delivering an economic confidence boost regardless of the settlement—and other flashpoints (Taiwan Strait, South China Sea, Korean Peninsula, India–Pakistan) remain stable.	Renewed escalation in the Middle-East disrupts energy supplies, Russian forces encroach on NATO countries and/or other flashpoints intensify significantly, impacting confidence and growth prospects

Our current assessment

- Uncertainty likely to remain due to erratic US policy stance, drastic movements unlikely
- AI investments likely to continue, possibly progressing at slower pace. Impact on job market likely to be felt.
- Equity price correction is likely(at least moderate), US monetary easing is expected
- Tremors in the Midde-East are likely. Elsewhere, serious escalations are unlikely, but sustained normalisation is not a lot more likely.

Source: IMF Economic Outlook November 2025; Global Financial Stability Report October 2025; ECB Economic Bulletin October 2025.

Trade policy uncertainties, including US tariffs and bilateral agreements, are hampering Nordic growth by reducing exports, curbing investments, and squeezing margins despite monetary easing and limited tariff advantages over Asian rivals.

Recent Trade Agreements[1]

- Since May, **US has signed trade deals with 15 countries**: Argentina, Cambodia, Ecuador, El Salvador, the EU, Guatemala, Indonesia, Japan, Malaysia, South Korea, Thailand, Switzerland and Liechtenstein, the UK, and Vietnam, bringing the effective tariff rate to 16.8%, as per Yale Budget Lab.
- The **UK-US 'Economic Prosperity Deal'** gives UK exporters duty-free access for aerospace products (reduced from 10%), 100,000 vehicle quota with 10% tariffs for automotive parts, and 13,000 metric tonnes of beef quota access. The UK has also allowed duty-free quotas of 13,000 metric tonnes for US beef, eliminated tariffs on the existing 1,000 metric tonnes beef quota, and established a 1.4 billion litre quota for US ethanol.
- The **trade deal with Japan** brings the tariff to baseline 15% and expands allowance for staple rice exports. In exchange, Japan has committed around €475 billion investments to US industries.
- In November, **China agreed to lift controls on rare earth minerals**, suspend retaliatory tariffs, and buy soyabean. US will reduce retaliatory tariffs by 10% and suspend heightened tariffs.
- **Countries with tariffs above 30%**: Brazil (40%), Syria (41%), Myanmar (40%), Laos (40%), Iraq (35%), Algeria, Bosnia, Libya, and South Africa (30%).

Short-term impacts on Nordic economies

Direct and indirect impact of tariffs

Economic policy uncertainty and US tariffs threaten Nordic GDP growth, with higher export costs and weaker investment, partly offset by lower tariffs than Asian rivals.

Policy stimulus

Nordic central banks had multiple rate cuts in 2025 to counter US tariff impacts and support growth; Finland may ease further in 2026, Sweden and Denmark likely hold steady, while Norway could tighten amid inflation and a tight labor market.

Trade redirection

Nordic producers may suffer from competition of redirected Asian exports, as Asian industrials turn to geographies where their competitiveness is not impacted by tariffs.

Note: 1) As of 28th November 2025, the situation is evolving on a daily basis.

Source: Deloitte Analysis, Press Releases

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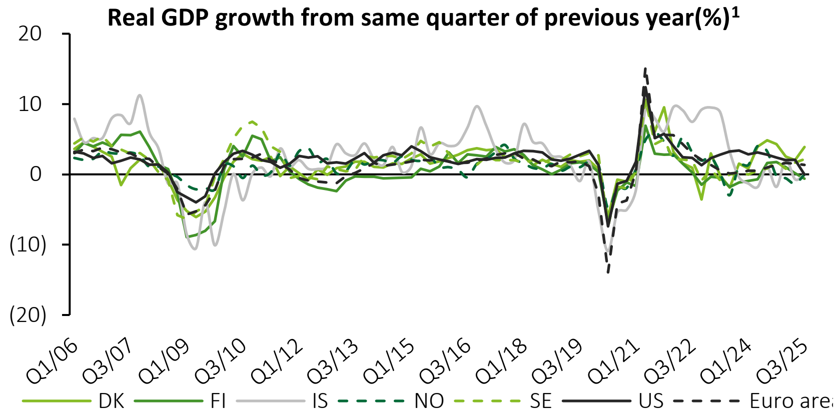
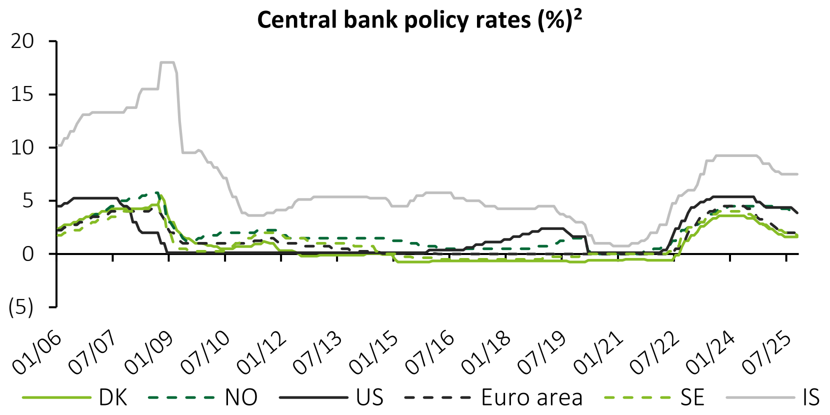
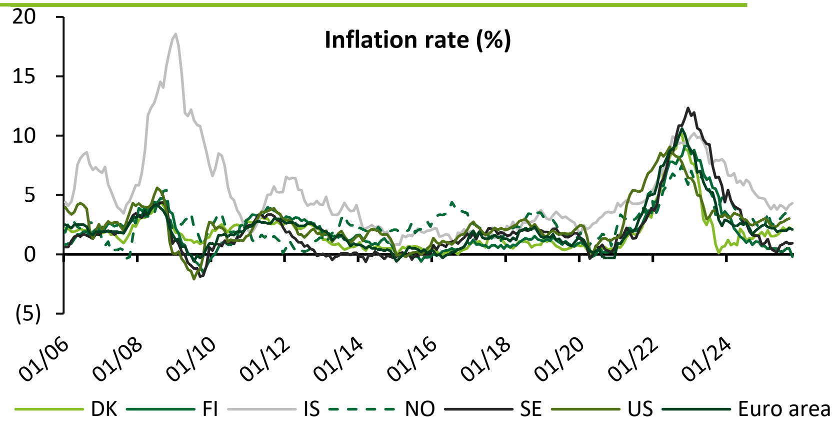
In 2026, Nordic growth is expected to remain resilient, with Sweden, Denmark, and Iceland posting solid gains, while US growth edges up to 2.1% amid AI-driven investment and Eurozone growth declines slightly to 1.1%







The Nordic region is expected to remain resilient despite economic uncertainties, with Sweden leading at 2.6% growth, followed by Denmark at 2.2% and Iceland at 2.1%. This growth will be primarily driven by stronger household demand, supported by rising real wages and improving consumer purchasing power, partly offset by weak investment demand amid low confidence and policy uncertainties.

The Eurozone is expected to grow at a slower pace of 1.1% in 2026, 0.1%-point lower than in 2025, amid weakening foreign demand, and lower confidence levels. These challenges will continue to subdue growth in the Euro area due to reduced business investment and consumer spending.

US growth is expected to improve from 2% in 2025 to 2.1% in 2026, largely driven by sustained investment in artificial intelligence, even as broader economic momentum weakens. While unemployment is likely to remain above 4%, inflation could rise above 3%, with consumer confidence remaining subdued.

All Nordic countries except Norway cut policy rates by 1%-point in 2025 to support growth, while Norway reduced its rate by only 0.5%-points amid inflationary pressures. In 2026, Finland may pursue further rate cuts to stimulate growth, whereas Sweden and Denmark signal caution by holding rates steady amid economic volatility and policy uncertainty. Conversely, the situation remains challenging for Norway and Iceland, with a recent contraction in economic activity and persistent inflationary pressures.

Meanwhile, the ECB has implemented a cumulative 1%-point rate cut in 2025 so far, based on the inflation outlook and underlying dynamics, to counter weak growth. The policy rate is expected to remain at 2% in 2026 to support growth as inflationary pressures subside.

In contrast, the Fed cut its policy rate by 75 basis points in 2025, bringing it to 3.50%-3.75% in December, and it is expected to remain cautious with only one rate cut in 2026 amid persistent inflationary pressures and a slowing labor market.

Inflation is expected to remain broadly under control across most Nordic countries, except Iceland and Norway. Inflation turned negative in Finland in October 2025, while it remains significantly high in Iceland (4.3%) and Norway (3.1%). In contrast, inflation is contained in Sweden (0.9%) and Denmark (2.1%). Persistent core inflation—driven mainly by elevated food prices—poses upside risks, while US tariff policy may help dampen inflation through reduced global demand.

Inflation in the Euro Area is projected to remain subdued near the ECB's 2% target in 2026, supported by heightened US tariffs that are expected to reduce US import demand, along with currency appreciation.

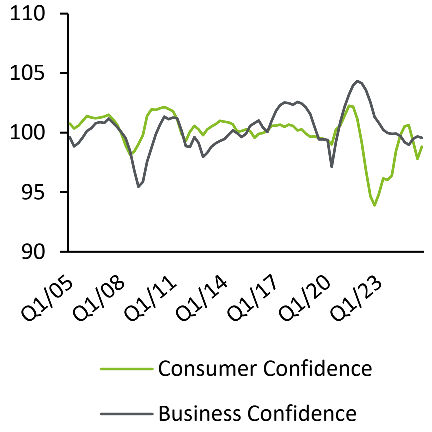
In the US, consumer price inflation has already risen to 3% in September 2025, largely due to tariffs. However, the recent decline in consumption growth may slow further increases in inflation over 2026, amid the gradual tariff pass-through during the period.

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

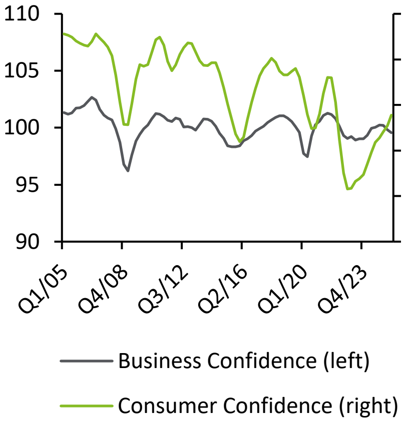
Source: Eurostat, OECD, BIS, OECD

Across the Nordic region, consumer sentiment remains mixed and generally subdued, with slight improvements in Sweden and Finland but continued pessimism in Denmark, Norway, and Iceland.

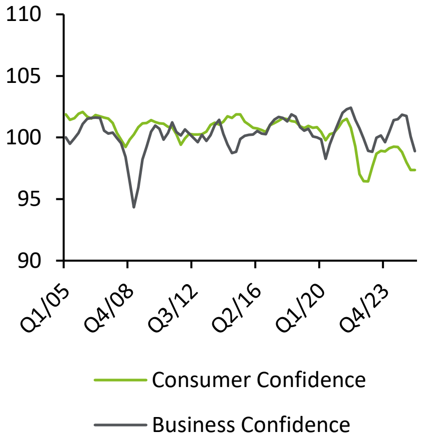
Sweden



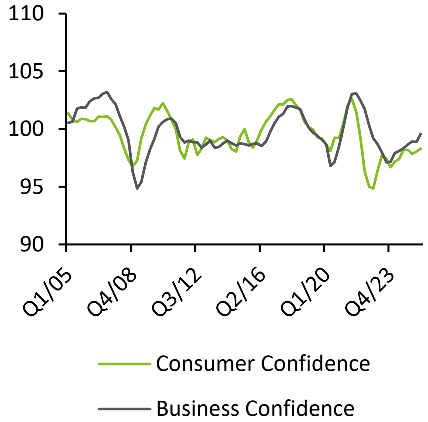
Norway



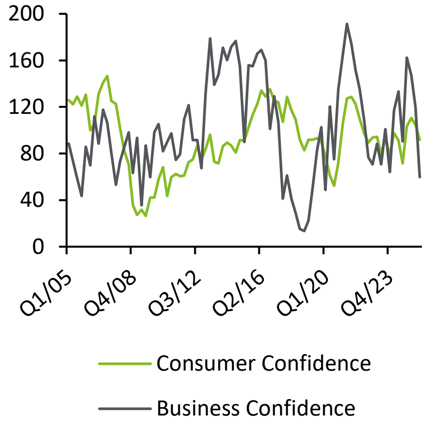
Denmark



Finland



Iceland



Sweden and Finland experienced slight improvements in their consumer confidence in Q3 2025 compared to the previous quarter, supported by easing inflation and low interest rates. In contrast, Iceland saw a sharp drop due to persistent inflation, high interest rates, and falling US exports, while Norway's sentiment remained negative despite a gradual recovery over two years.

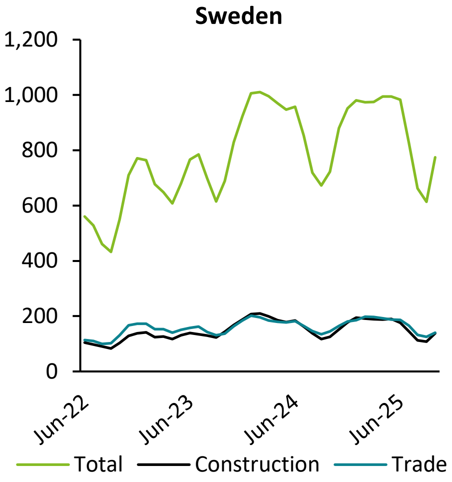
Danish consumer sentiment remains weak, with a slight decline in Q3 as compared to the previous quarter, as worries about the economy, exports, and personal finances continue to depress major-purchase intentions, despite improvements in expectations for inflation and growth in 2026.

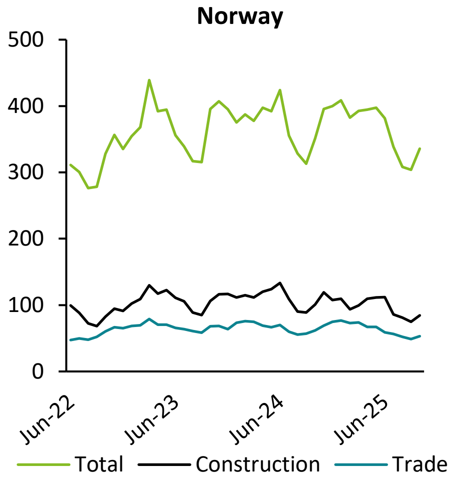
Iceland, Denmark, Norway, and Sweden all recorded declines in business confidence in Q3 as compared to the previous quarter, reflecting subdued investment appetite and rising economic concerns. Iceland's drop was particularly sharp, driven by high interest rates and persistent inflation.

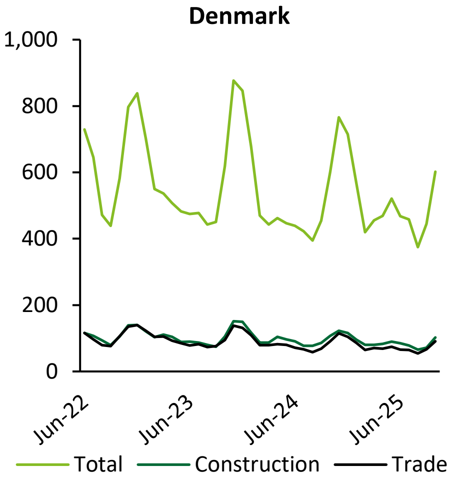
While its peers experienced declines, Finland reported an improvement in business confidence, aligning with the modest recovery in consumer sentiment and suggesting a relatively more optimistic outlook compared with the rest of the region, amid a rebound in economic conditions following a period of contraction.

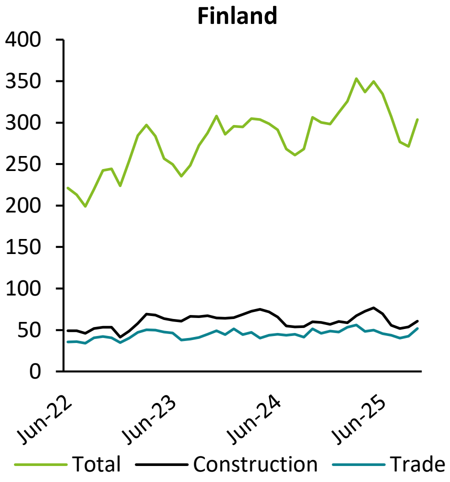
Source: OECD Economic Indicators; Statistics Iceland; Finans Norge

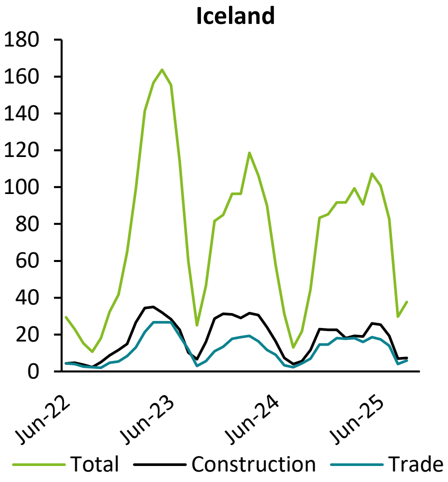
In Q3 2025, bankruptcies declined across most Nordic economies, with Sweden, Denmark, and Norway showing notable improvements, while Iceland and Finland recorded increases due to tight financial conditions and weak recovery.











In Q3 2025, total bankruptcies declined across most Nordic economies as compared to Q3 2024, with the exception of Iceland and Finland. Iceland experienced the sharpest year-on-year increase in bankruptcies, rising by 74%. This surge was driven by persistently high policy rates and inflationary pressures, which continued to strain business viability despite recent interest rate cuts. The trade and construction sectors were particularly affected, reflecting the impact of tight financial conditions and weak investment sentiment.

Finland recorded a modest increase of 1% in bankruptcies compared to the previous year. This rise was largely concentrated in the wholesale and retail trade sectors and was attributed to ongoing policy uncertainties, slow recovery in economic activity, and high unemployment. These factors collectively undermined business stability.

In contrast, Sweden saw a significant decline in bankruptcies, falling by 9% in Q3 on a year-on-year basis. This improvement suggests that the recent recovery in economic activity and easing cost pressures have strengthened business resilience. Denmark and Norway also recorded declines, with bankruptcies decreasing by 2% and 3% respectively. Similar to Sweden, these reductions were supported by better economic conditions and comparatively lower cost pressures, particularly in the trade and construction sectors.

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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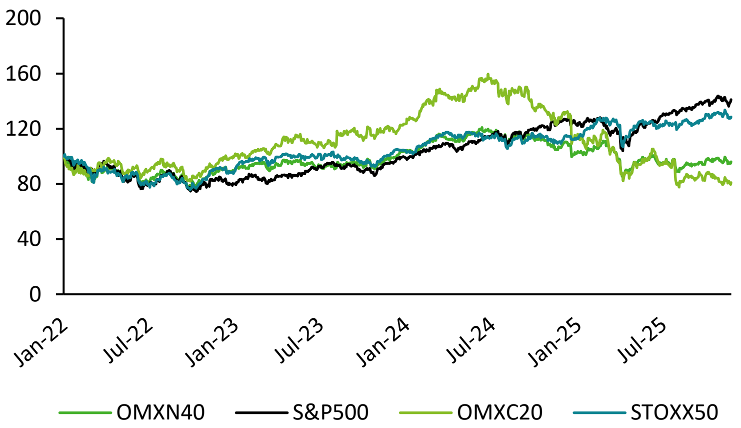
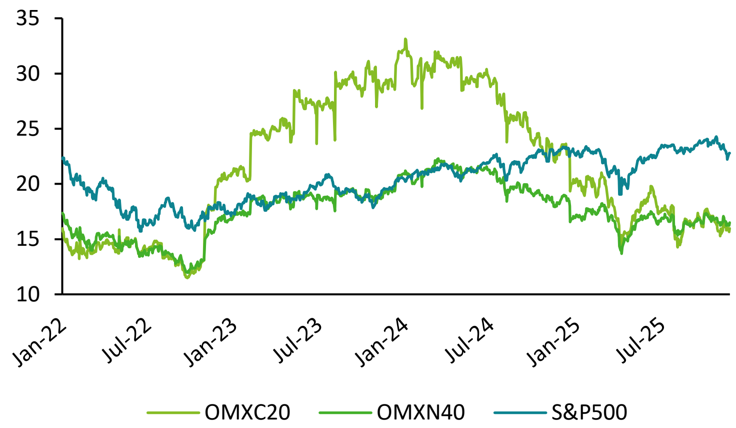
Global equity markets in 2025 showed mixed results, with strong gains in US and European indices contrasting with sharp losses in Nordic markets, led by a steep correction in Danish equity prices.

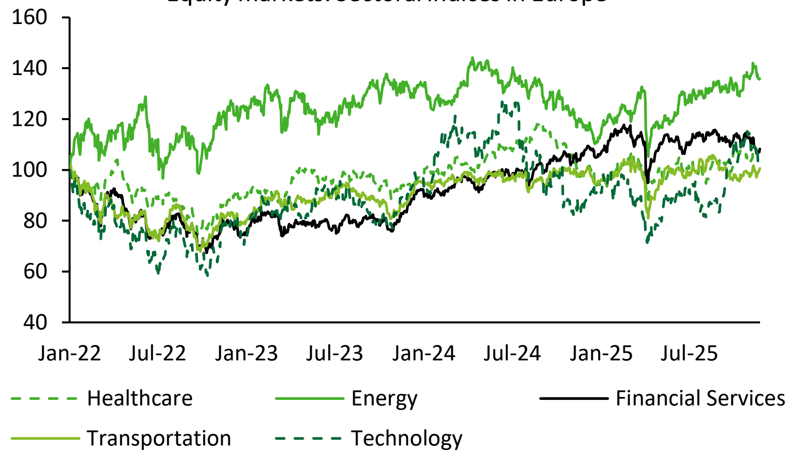
Equity market indices (Rebased to 100 on Jan 01, 2022)



Forward P/E over the next 12 months



Equity markets: Sectoral indices in Europe[1]



The US equity market remains on a positive trajectory in 2025, as the S&P 500 reached a record high of 6,910 on October 29, marking an overall increase of 15% as of November 25. This was largely driven by a sharp rise in technology shares, fueled by a surge in AI investments and robust corporate earnings in key sectors. The Euro STOXX 50 also recorded a 14% increase during the same period, supported by investors' positive outlook on the European market and still-low valuations relative to the US.

In contrast, Nordic stock indices remain under pressure, with the OMXC20 plunging 29% and the OMXN40 down 6% in 2025 as of November 25. This decline was largely driven by major companies such as Novo Nordisk, Ørsted A/S, Coloplast A/S, and Evolution AB, amid US policy uncertainties and growing competition from US businesses.

As of November 25, the S&P500 forward P/E ratio increased further to 22.8 in 2025, significantly above the previous three-year average of 19.7. This rise was largely driven by the surge in equity prices of technology firms amid a sharp increase in AI investment, partially offset by a significant increase in earnings supported by high profit margins.

Conversely, forward P/E ratios dropped by 20% for Denmark's OMXC20 and by 3% for the broader Nordic OMXN40. The sharper decline in Danish markets reflects deeper concerns around regional businesses, particularly in pharmaceuticals, as its leading company Novo Nordisk fell by more than 50% over the period amid rising competition from US rivals, management turmoil and US tariffs.

European equity markets have shown strong year-to-date gains across major sectors, supported by optimism for 2026, accommodative monetary policies, improved EU competitiveness amid US tariffs, and fiscal support.

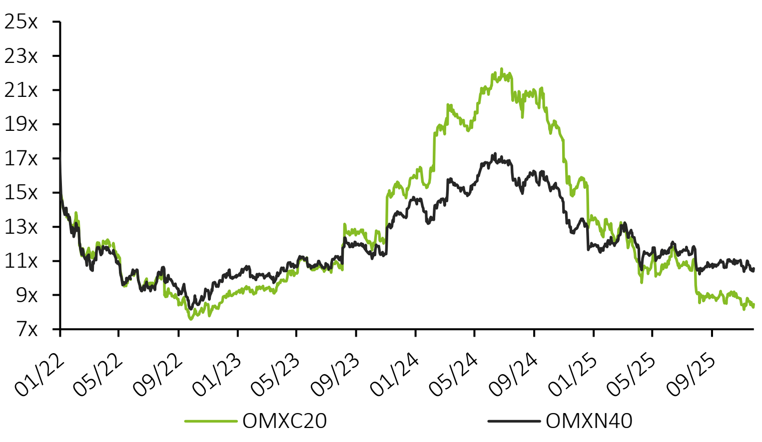
Energy led with a 20% rise, driven by investment in sustainable energy. Technology gained 17% on the back of digital infrastructure advancements and strong capital inflows, while Healthcare rose 16% due to sustained demand and biotech investment. Transportation posted a modest 5% increase, signaling a gradual recovery in logistics and travel.

Note: 1) Index – January 2022 = 100;

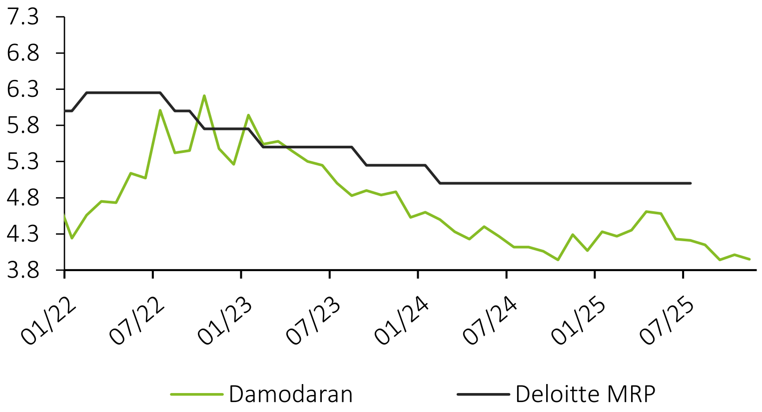
Source: Capital IQ, Deloitte calculations, Data updated as of 24 August 2025

In 2025, global bond markets showed mixed trends, with US Treasury yields falling on Fed rate cuts, while European and Nordic yields rose due to increased government bond supply, economic uncertainty, and higher defense spending.

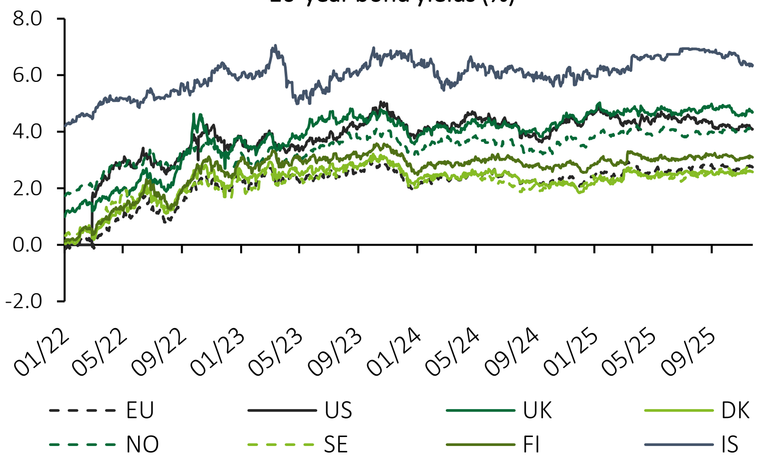
EV/ EBITDA multiple in Danish and Nordic indices



Equity market risk premium



10-year bond yields (%)[2]



EV/EBITDA multiples remained on a downward path through 2025, continuing the slide that began in mid-2024. After a short-lived rebound early in the year, declines deepened in April and again in mid-August, reflecting heightened investor caution. Within the Nordic region, Denmark faced the sharpest contraction.

As of November 25, Denmark's OMXC20 multiple had dropped by approximately 37%, while the broader Nordic OMXN40 multiple declined by 11%. This was mainly due to a massive correction in several Danish firms, including Novo Nordisk, Ørsted A/S, and Coloplast A/S, amid heightened global economic uncertainty, lower than expected global demand, growing competition from US rivals, weak investor sentiment, and concerns over earnings sustainability.

Following a gradual increase during Q1 2025, equity risk premiums (ERPs) have partially declined since May, reaching 3.95% in November—below the December 2024 level of 4.07%. This decline reflects a combination of strong economic performance with improved corporate earnings and better equity market performance.

The bond market has remained volatile in 2025. As of November 25, 10-year US Treasury yields fell sharply to 4.1%, down from 4.3% at the end of March 2025 and 4.6% in December 2024, driven by strong economic performance and recent rate cuts by the Federal Reserve.

The downward trend could persist if the Fed halts monetary tightening and signals further easing in December, supported by a lower cost of hedging the US dollar, which would strengthen investor risk appetite.

Bond yields in Europe remain elevated, driven by increased issuance of government bonds—particularly in Germany—to finance fiscal stimulus and additional defense investments. As of November 25, European bond yields stood at 2.7%, about 35 bps higher than at the end of December 2024.

UK Treasury yields held high at 4.7% as of November 25, unchanged from end-2024 levels, amid an economic slowdown and persistent inflation.

Across the Nordic region, bond yields have risen throughout 2025, reflecting heightened economic uncertainty and fiscal stimulus measures. Denmark recorded the largest increase of 42 bps, followed by Iceland (35 bps) and Norway (31 bps). Swedish yields also climbed, supported by higher defense spending and aid commitments to Ukraine.

Note: 1) Zero-coupon yield,%-points; Data updated as of 25 November 2025

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

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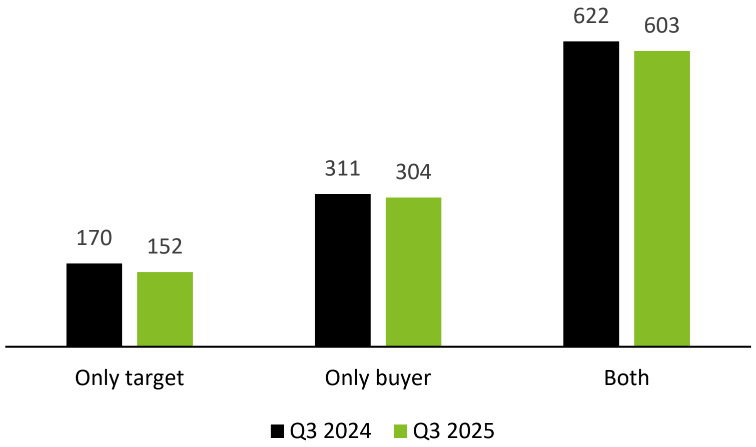
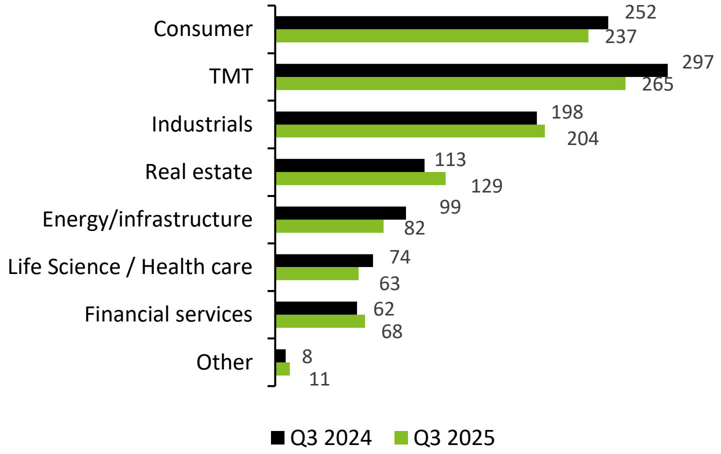
Nordic M&A activity declined by 4% in Q3 2025 to 1,059 deals, with strong intra-Nordic transactions (57%), reduced sector concentration, and a mixed trend across countries.

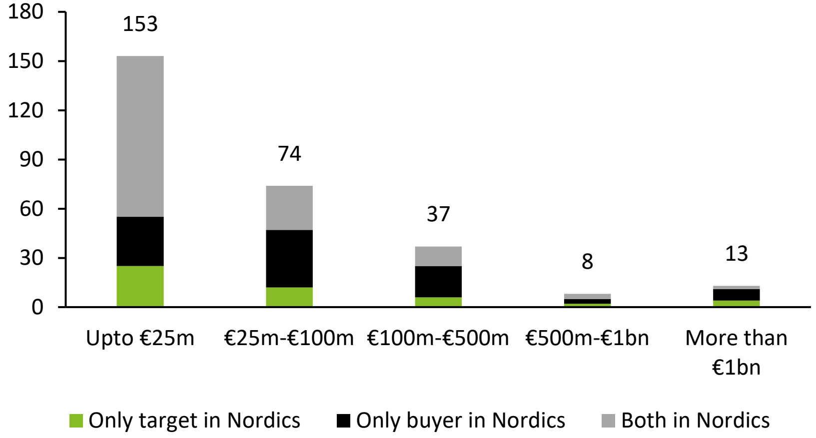
Position of Nordic countries in deals[1]



Total number of Nordic deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



M&A activity in the Nordic region fell by 4% in Q3 2025, with 1,059 deals compared to 1,103 in Q3 2024. The trend varied across countries: Denmark, Sweden, and Finland experienced declines in deal volume, while Norway and Iceland posted increases, partially offsetting the overall slowdown.

Intra-Nordic deals remained strong, accounting for 57% of total transactions in Q3 2025, broadly consistent with Q3 2024. This dominant share underscores that regional consolidation and collaboration remain central to the Nordic M&A landscape. Companies appear to be prioritizing familiar markets and leveraging local synergies, likely as a strategic response to broader economic uncertainty and cross-border complexities.

Industry concentration in Nordic M&A activity declined marginally in Q3 2025, with the top three sectors—TMT (25%), consumer goods (22.4%), and industrials (19.3%)—collectively accounting for 67% of total deals, slightly down from 68% in Q2 2024.

Across sectors, consumer goods and TMT recorded a sharp decline in deal volume over the period, while real estate, industrials, and financial services announced more deals in Q3 2025 than in the same quarter of 2024, contributing to the marginal drop in sector concentration during the quarter.

Only 285 deals disclosed their values in Q3 2025, and among these, the share of transactions involving both a Nordic buyer and target tends to decline as deal value increases, indicating limited intra-regional participation in higher-value deals.

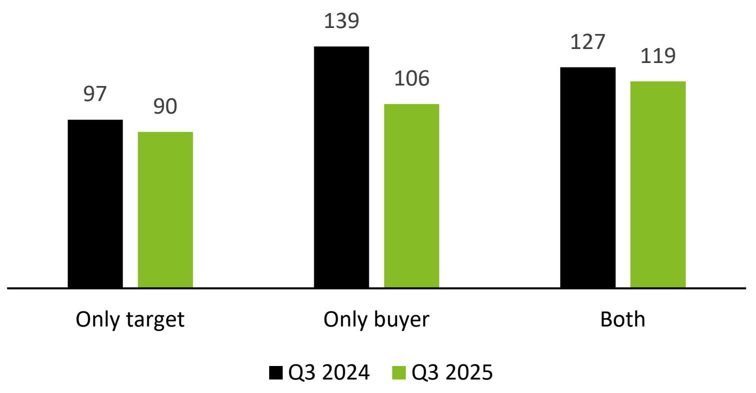
Of the 13 transactions valued over €1 billion, only two involved both the buyer and seller from the Nordic region, highlighting a clear shift away from intra-Nordic involvement in large-scale M&A activity. Notably, Nordic Capital and Permira, through Innosera ApS, have initiated the process to acquire Bavarian Nordic A/S for €2.7 billion via a public offer. In addition, Norvestor Equity AS financed a €2.5 billion continuation fund, Norvestor SPV III, to acquire stakes in Sperre Air Power AS and PHM Group Oy.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark, Norway, Sweden, Finland and Iceland.

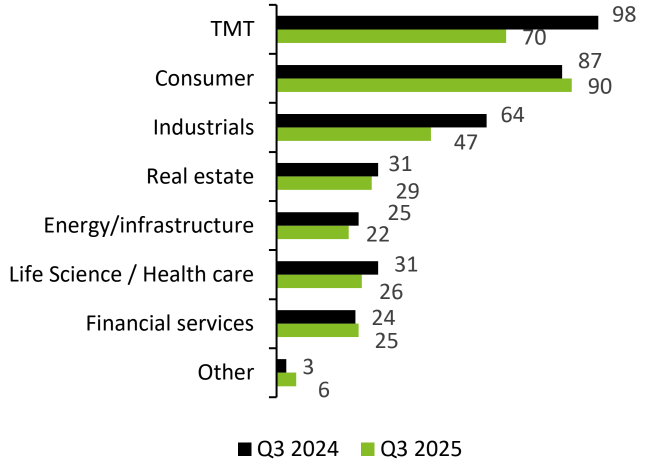
Note: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target's location, unless otherwise specified.

Denmark’s M&A activity fell 13% in Q3 2025 to 315 deals, driven by a sharp drop in domestic transactions and lower activity across multiple sectors, including TMT, industrials, real estate, energy, and healthcare.

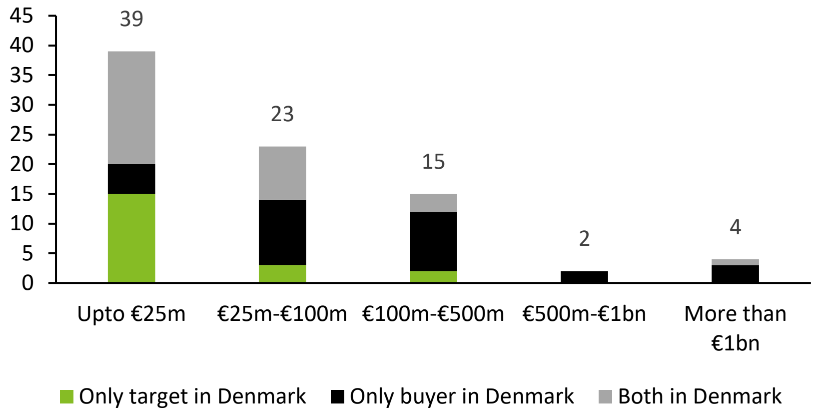
Position of Danish firms in deals[1]



Total number of Danish deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



M&A activity in Denmark dropped 13% in Q2 2025, with deal volumes falling to 315 from 363 in the same quarter last year. The decline reflects a broader slowdown in deal-making sentiment amid rising economic uncertainty.

Domestic M&A activity in Denmark experienced a sharp decline, with deals involving only Danish buyers falling by 24%, from 139 in Q3 2024 to 106 in Q3 2025—the steepest drop across all ownership types. Deals involving only Danish targets also decreased by 7%, from 97 to 90, while domestic transactions involving both Danish buyers and targets slipped by 6%, from 127 in Q3 2024 to 119 in Q3 2025

Industry concentration in M&A activity in Denmark declined from 69% in Q3 2024 to 66% in the last quarter, with the TMT, Consumer, and Industrials sectors contributing approximately 22%, 29%, and 15%, respectively.

Among the leading sectors, TMT recorded the sharpest decline, falling from 98 to 70 deals over the period, while Industrials also dropped significantly, from 64 to 47 deals. In contrast, Consumer Goods posted a slight increase, rising from 87 to 90 deals during the same period.

Out of 315 deals, only 83 disclosed their values in Q3 2025, with smaller transactions dominating the Danish M&A landscape—over 47% of disclosed deals were valued below €25 million. There were six high-value transactions (above €500 million), of which four exceeded €1 billion.

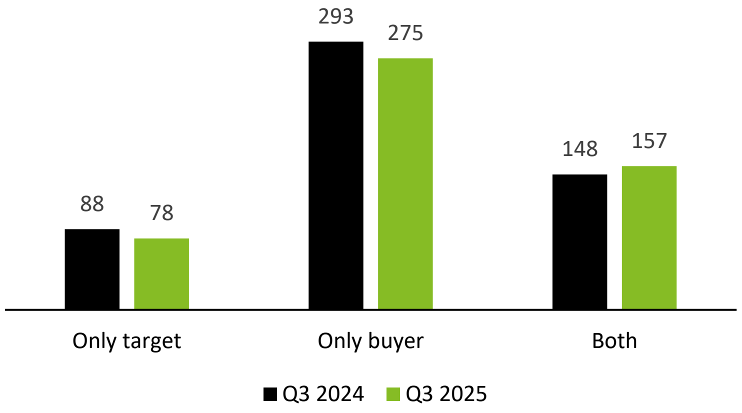
Among medium and large firms, Danish buyers continued to dominate, participating in over three-fourths of all deals, indicating a lack of interest among foreign buyers in acquiring Danish firms.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Denmark.

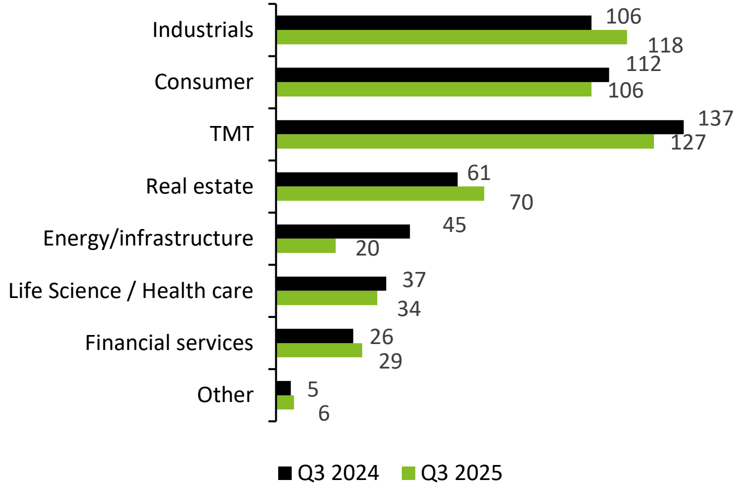
Source: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target’s location, unless otherwise specified.

Swedish M&A deal volumes marginally dropped in Q3 2025 compared to Q3 2024, amid a decline in cross-border transactions and reduced activity in leading sectors, including consumer goods and TMT.

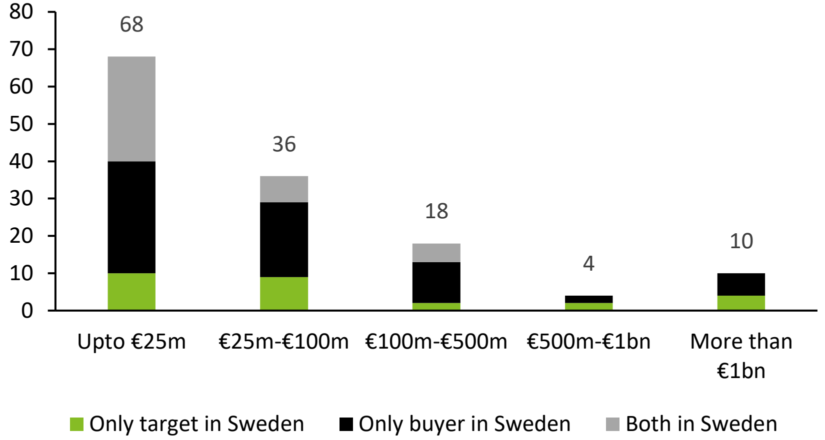
Position of Swedish firms in deals[1]



Total number of Swedish deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



Sweden experienced a slight decline in M&A activity in Q3 2025, with deal volumes falling to 510, a 3.6% drop compared to 529 deals during the same period in 2024. Swedish buyers continued to dominate the market, accounting for 85% of all M&As.

Deals involving only Swedish buyers and only Swedish targets declined in Q3 2025 compared to Q3 2024, potentially due to heightened global economic uncertainty. However, intra-Swedish deals increased from 148 to 157 over the period, as domestic players appear more comfortable transacting locally during uncertain times.

Industry concentration in M&A activity increased slightly in Q3 2025, with the Industrials, Consumer, and TMT sectors together accounting for 69% of total deal volume, each contributing more than 20%.

The overall increase in deal activity masks differences in sectoral trends: while Industrials and Real Estate recorded growth over the period, other leading sectors such as Consumer Goods and TMT saw a decline in M&A activity compared to the previous year.

Of the 510 deals, only 136 disclosed their values in Q3 2025. Small deals valued below €25 million accounted for more than 50% of the total disclosed deal volume, followed by deals between €25 million and €100 million, which represented a 26% share.

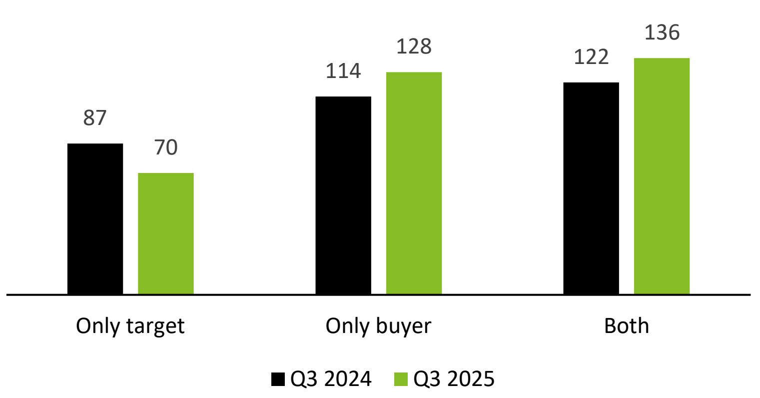
Swedish buyers were involved in 14 high-value cross-border transactions over €500 million, accounting for 10% disclosed deals. Foreign acquirers invested in half of these transactions, while the remaining deals were executed by Swedish buyers acquiring foreign firms. There were no domestic deals among the high-value transactions.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Sweden.

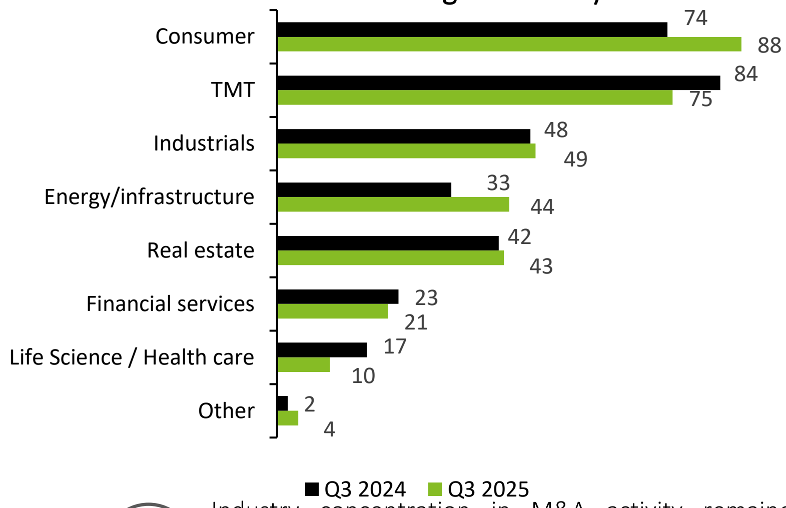
Source: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target's location, unless otherwise specified.

Norwegian M&A deal volumes increased marginally in Q3 2025, driven by a broad-based rise in cross-border Norwegian acquisitions and domestic transactions, particularly in the consumer goods sector.

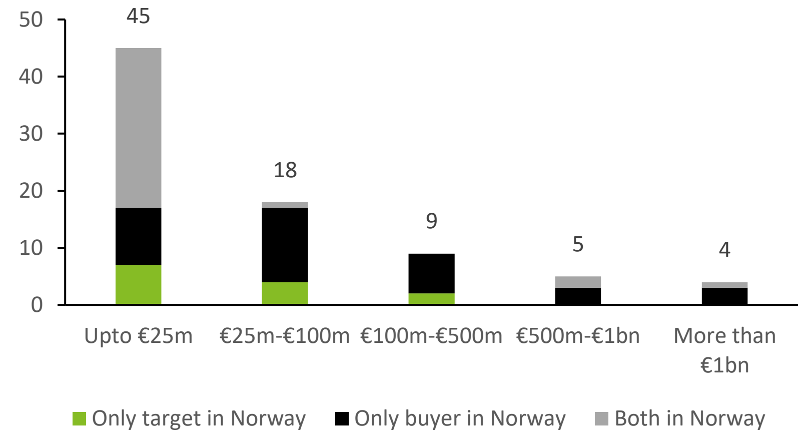
Position of Norwegian firms in deals[1]



Total number of Norwegian deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



M&A activity in Norway edged up in Q3 2025, with deal volumes rising to 334—a 3% increase from 323 deals in the same period of 2024.

Over the period, only-Norwegian buyer transactions and local M&A deals grew by approximately 12%, suggesting that Norwegian firms are increasingly focused on consolidation through both cross-border and domestic transactions. In contrast, only-Norwegian target transactions declined sharply by 20%, indicating reduced interest from foreign buyers in acquiring Norwegian companies.

Industry concentration in M&A activity remained broadly stable over the period, with the three major sectors—Consumer, TMT, and Industrials—collectively accounting for 64% of transactions.

Notably, deal volumes increased sharply in Consumer Goods and Energy & Infrastructure, and slightly in Industrials. In contrast, TMT and Healthcare recorded a significant decline in M&A activity during the same period.

Only 81 of the 334 deals have disclosed values so far, making it difficult to accurately assess the total transaction value compared to 2024. Overall, small deals valued below €25 million accounted for more than 55% of the disclosed deal volume, followed by deals between €25 million and €100 million, which represented a 22% share.

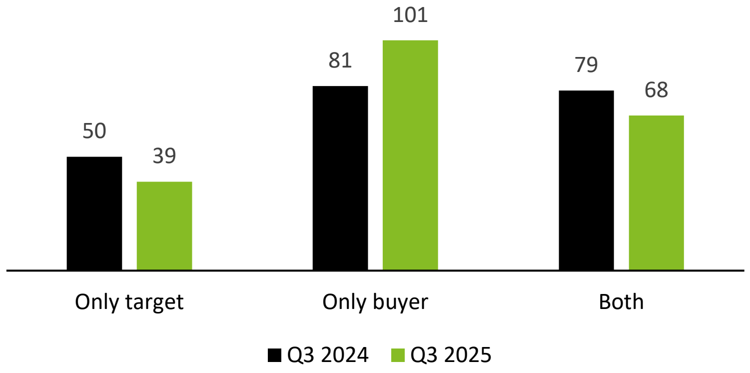
Norwegian buyers displayed a relatively strong appetite for high-value cross-border transactions, with 6 out of 9 deals valued over €500 million. In contrast, there were no foreign investments in Norway.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Norway.

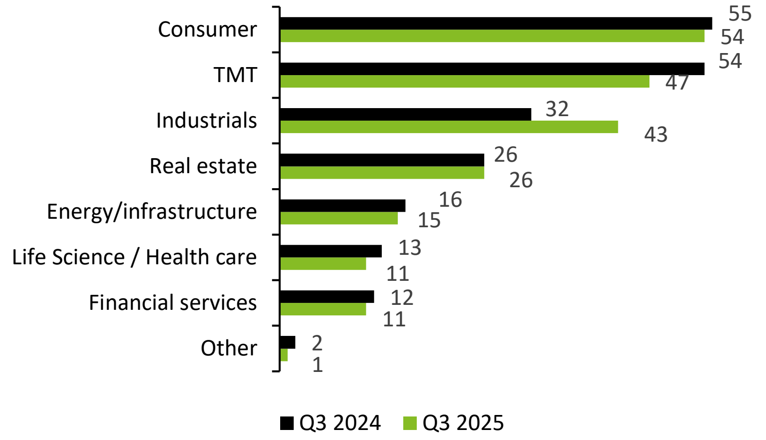
Source: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target's location, unless otherwise specified.

The Finnish M&A market declined by 1% in Q3 2025 relative to Q3 2024, due to a drop in cross-border foreign investment and domestic M&A activity, partially offset by an uptick in Finnish investments in cross-border transactions.

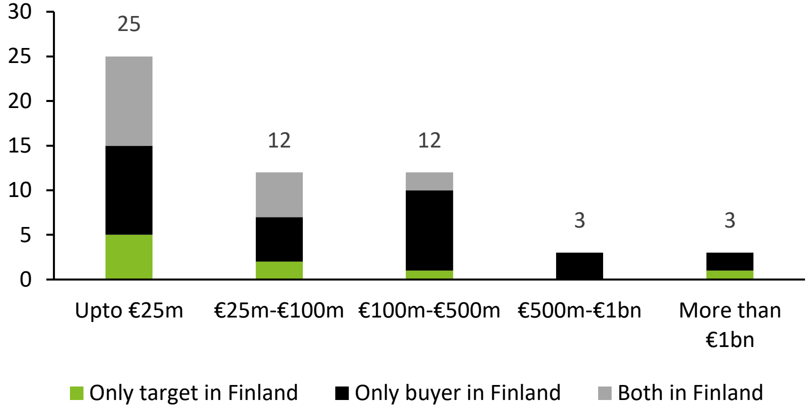
Position of Finnish firms in deals[1]



Total number of Finnish deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



Finland recorded a slight decline in M&A activity in Q3 2025, with deal volumes falling by 1% to 208, down from 210 in the same period last year. The drop was primarily driven by a 22% decrease in foreign investments in Finnish targets, followed by a 14% decline in domestic transactions.

In contrast, cross-border investments by Finnish firms increased from 81 to 101 over the period. As a result, the share of cross-border investments by Finnish buyers in total deal volume rose from 39% in Q3 2024 to 49% in Q3 2025, partly reflecting Finland's weaker economic performance compared to other Nordic economies.

Industry concentration in M&A activity increased in Q3 2025, with the Consumer, TMT, and Industrials sectors collectively accounting for over 69% of total deal volume, compared to 67% in Q3 2024, with each contributing at least 20%.

The increase was largely driven by a spike in Industrials, where deal volume rose from 32 in Q3 2024 to 43 in the same quarter this year. This was partially offset by a decline in Consumer Goods (from 55 to 54) and TMT (from 54 to 47) sectors.

Of the 208 deals in Q3 2025, only 55 disclosed their values over the period. Smaller deals dominated Finland's M&A landscape, with two-thirds of valued transactions below €100 million. These disclosed small deals were also concentrated among acquisitions by Finnish buyers rather than foreign buyers.

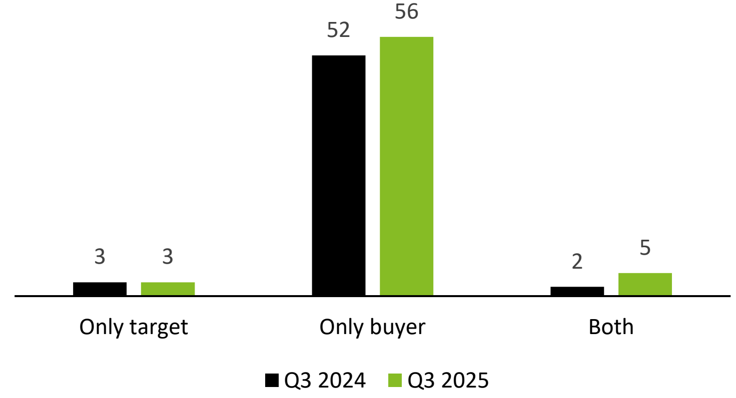
Only six of the disclosed deals were high-value transactions over €500 million, and five of these were cross-border investments by Finnish buyers, indicating strong interest in foreign markets. The remaining high-value deal involved foreign investment in a Finnish target. Consequently, there were no high-value domestic transactions during the quarter.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Finland.

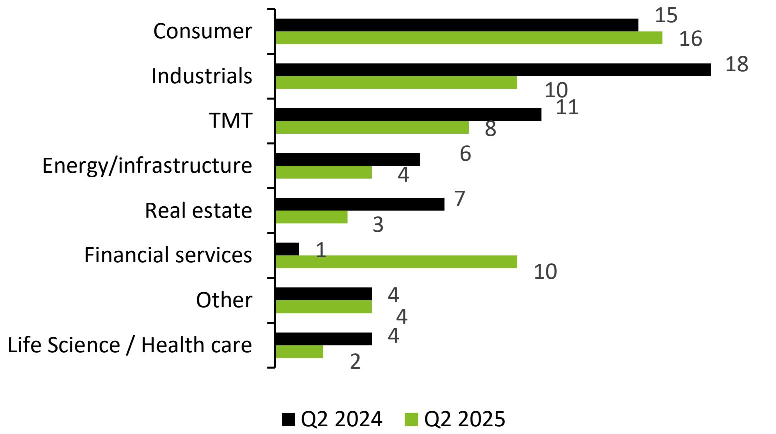
Source: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target's location, unless otherwise specified.

Iceland’s M&A activity rose 12% in Q3 2025 compared with the same quarter in 2024, driven by a sharp increase in cross-border acquisitions by Icelandic buyers and steady growth in domestic deals.

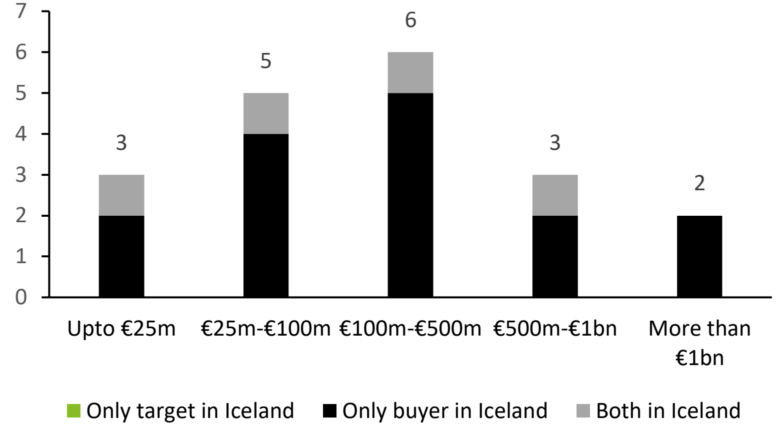
Position of Icelandic firms in deals[1]



Total number of Icelandic deals by sector[1]



Number of deals as per deal value bands in Q3 2025[2]



M&A activity in Iceland surged in Q3 2025, with deal volumes rising to 64, marking a 12.3% increase from 57 deals in the same period last year. The growth was driven by a sharp increase in cross-border investments by Icelandic buyers and a slight rise in domestic investments over the period.

Iceland’s M&A landscape is characterized by a very high share (88%) of cross-border investments by Icelandic buyers, with limited domestic activity. There were only five domestic deals involving local buyers and sellers in Q3 2025, likely reflecting Iceland’s small economy and limited acquisition opportunities for investors.

Industry concentration in Icelandic M&A activity decreased in Q3 2025, with the Consumer, Industrials, and TMT sectors together accounting for 69% of total deal volume. The Consumer sector led with 33%, followed by Industrials at 20% and TMT at 16%.

There was a mixed trend across industries, with a sharp rise in M&A activity in Consumer Goods and Financial Services, while deal volumes declined in Industrials, Energy, Real Estate, and Healthcare.

Of the 64 deals, only 19 have disclosed values so far. The disclosed deals are relatively evenly distributed across value bands, unlike other Nordic countries. While 42% of the deals were valued below €100 million, 32% were high-value transactions over €500 million.

Notably, there were two ultra high-value transactions above €1 billion, both cross-border investments by Icelandic buyers in major public offerings. Germany-based Continental AG and Japan-based Sony Group Corp completed significant spin-offs in 2025, with Continental listing its automotive division Aumovio SE on the Frankfurt Stock Exchange and Sony listing Sony Financial Group Inc on the Tokyo Stock Exchange.

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 20 August 2025 and the number of deals includes announced deals, excluding lapsed/withdrawn bids in Iceland

Source: Mergermarket – Data is extracted from Mergermarket on 20 August 2025. Comparisons with previous periods are based on the latest available data from Mergermarket as of 20 August 2025. The geographical location of deals is based on the target’s location, unless 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
- Economic Intelligence Unit
- European Central Bank
- Eurostat
- Federal Reserve Bank of Saint Louis
- International Monetary Fund
- LSEG
- Mergermarket
- OECD
- National statistics offices
- National government data
- Regional and national banks
- S&P Capital IQ
- World Bank
- World Integrated Trade Solution (WITS)
- 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

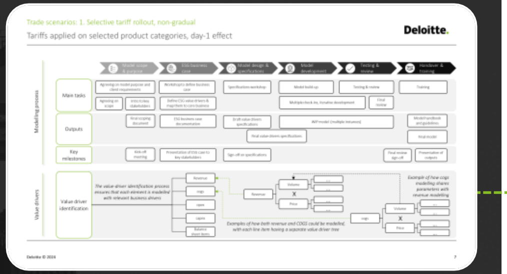
Deloitte can help you navigate today's geopolitical uncertainties, with dedicated analytic capabilities on trade issues.

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?

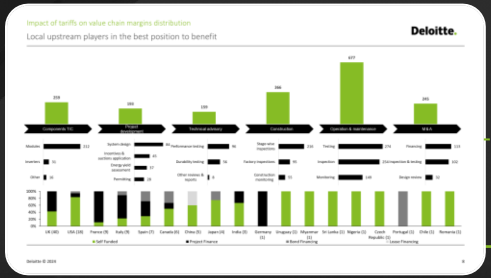


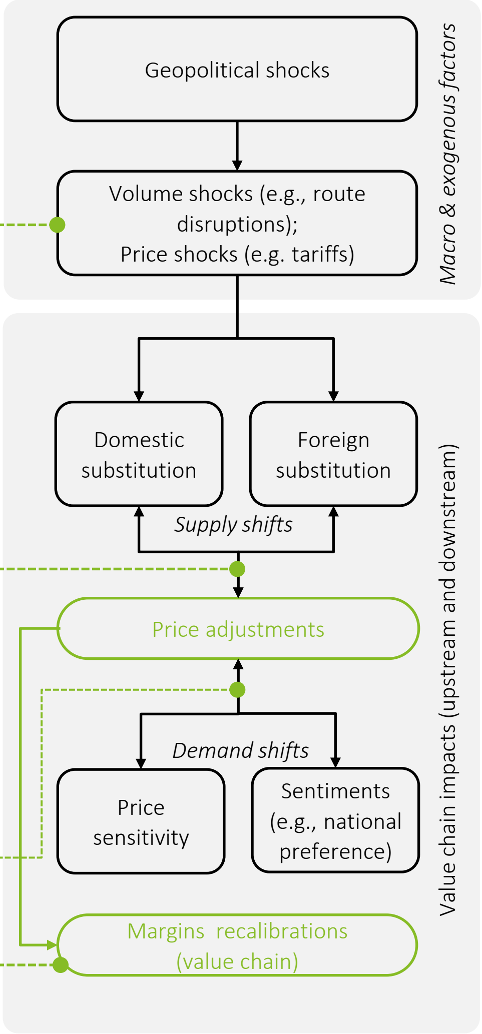
Value chain analysis and reconfiguration

- 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?





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