



# BCG Transform & Special Situations Index 2024 -TSS Index-

The Nordics: Denmark, Finland, Norway, and Sweden

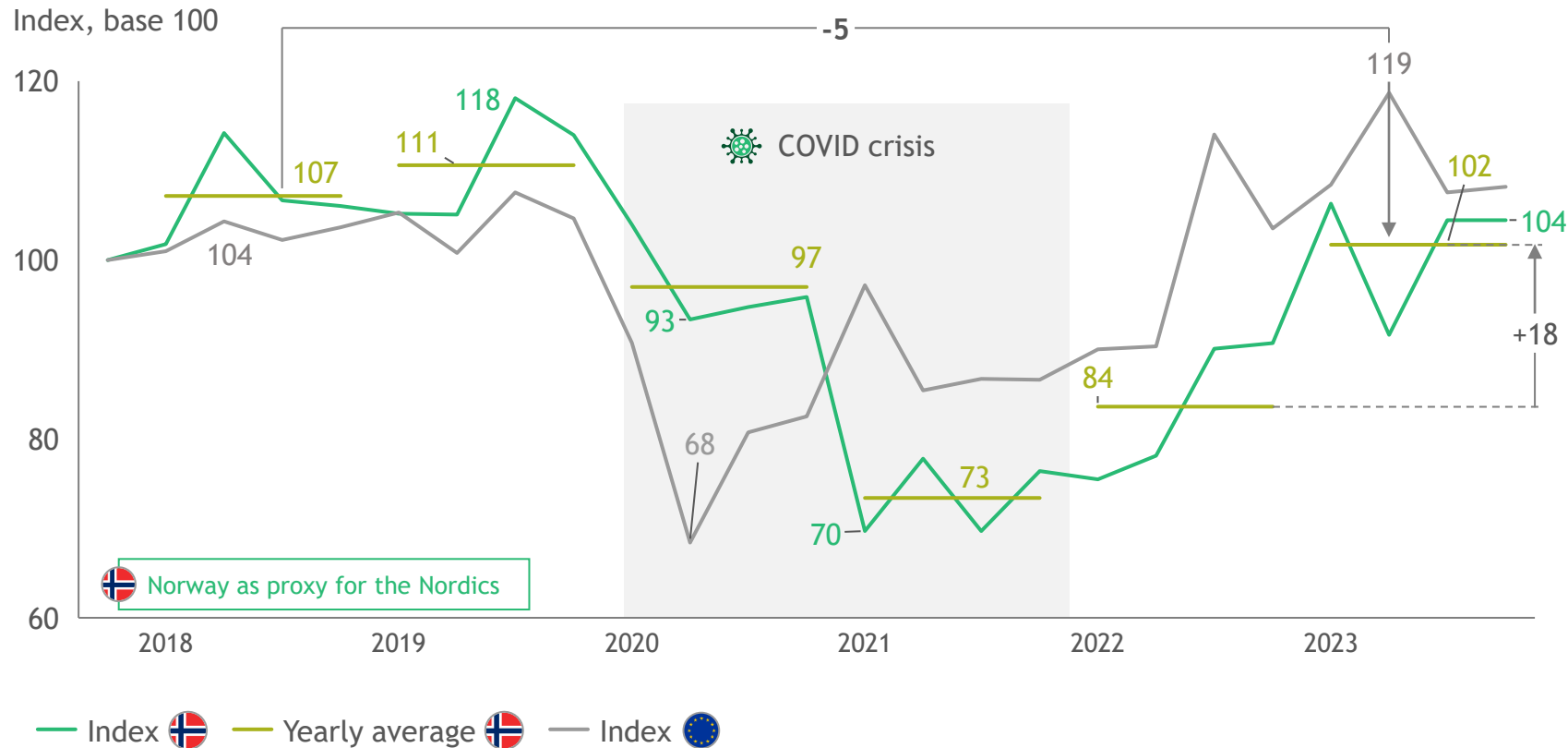
JUNE 2024



# +18pp in insolvencies over last year, below pre-COVID level and European average

## Insolvency filings: Q1 2018 through Q4 2023

Indexed development of the number of insolvencies (2018 at 100)



1. For Norway, Sweden, Finland, and Denmark.

Note: Differentiated trends (insolvency and COVID support) within Nordics countries is not highlighted in this material.

Sources: Eurostat; International Monetary Fund; BCG analysis.



insolvencies  
2023 vs. 2022

insolvencies vs.  
pre-COVID  
period

➤ Nordic governments' liquidity support during the COVID-19 pandemic (8% of GDP), on a par with European average (7% of GDP), smoothed insolvency pressure over 2020 and 2021

➤ End of governmental aids, inflation, and proximity with geopolitical conflicts in the area suggest increased pressures for next years (insolvency level at highest in decade for Sweden, Finland, and Denmark)

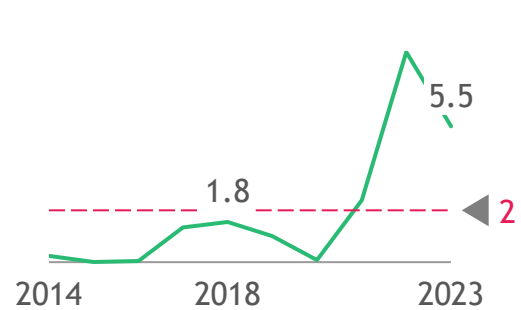
# Continuing macroeconomic headwinds suggest that transformation and restructuring pressures will stay strong in the next 24 months



**Inflation more than doubled vs. pre-COVID**

Consumer inflation (%)

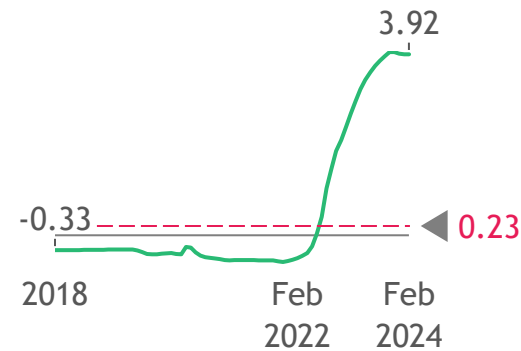
--- 10-year average, 2014-2023



**Interest rates have skyrocketed for last 2 years**

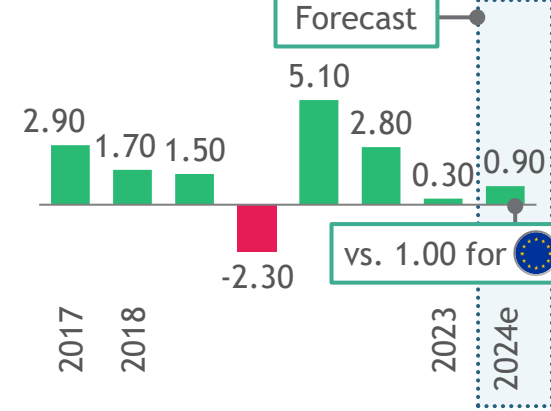
3-month Euribor rate (%)

--- 10-year average, 2014-2023



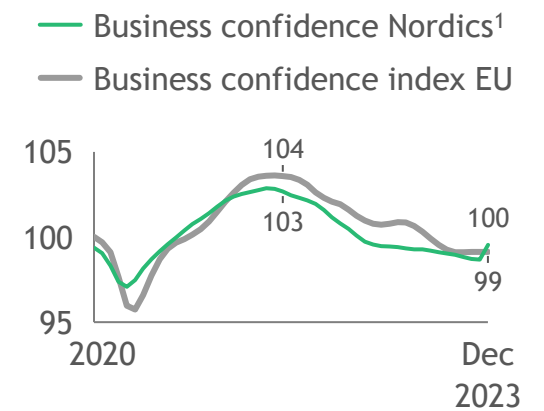
**GDP growth halved vs. pre-COVID**

Real GDP (% change p.a.)



**Business confidence decreasing**

OECD business confidence index



Geopolitical instability: conflicts and tensions in Eastern Europe, Middle East, and Asia; >50% of worldwide population electing new government in 2024



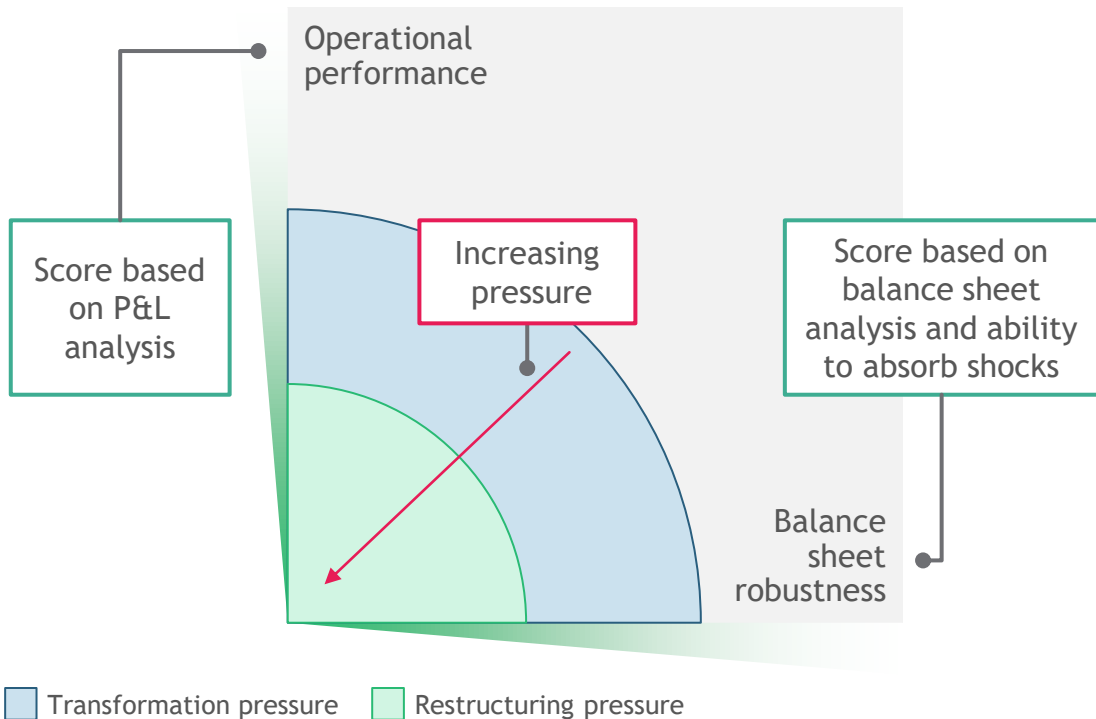
Energy transition, demographic challenges, public spending, NOK/SEK vs. EUR, proximity with Eastern Europe conflict

1. Average of individual country index.  
 Note: Latest data available as of March 13, 2024.  
 Sources: Eurostat; European Central Bank; Oxford Economics; OECD; BCG analysis.

# BCG Transform and Special Situations (TSS) Index identifies companies showing signs of weak operational performance and undercapitalization

## 1 Transformation and restructuring pressures by sector

Assessment of about 2,000 European public companies and analysis of 12 performance and financial stability KPIs



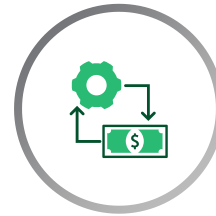
Note: Transformation pressure—initial signs of weakening operational performance and financial stability require optimization. Restructuring pressure—clear signs of weak or negative operational performance and undercapitalization require more structural steps to recover.  
Source: BCG analysis.

## 2 Forward-looking view

Assessment of sector dynamics based on AI-powered sentiment analysis and insights from sector experts



AI-powered sentiment analysis to synthesize insights from market and company documents (including earnings calls transcripts) and all publicly available materials

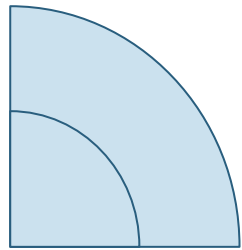


Targeted in-depth interviews with industry experts

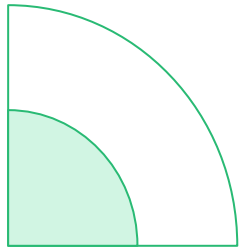
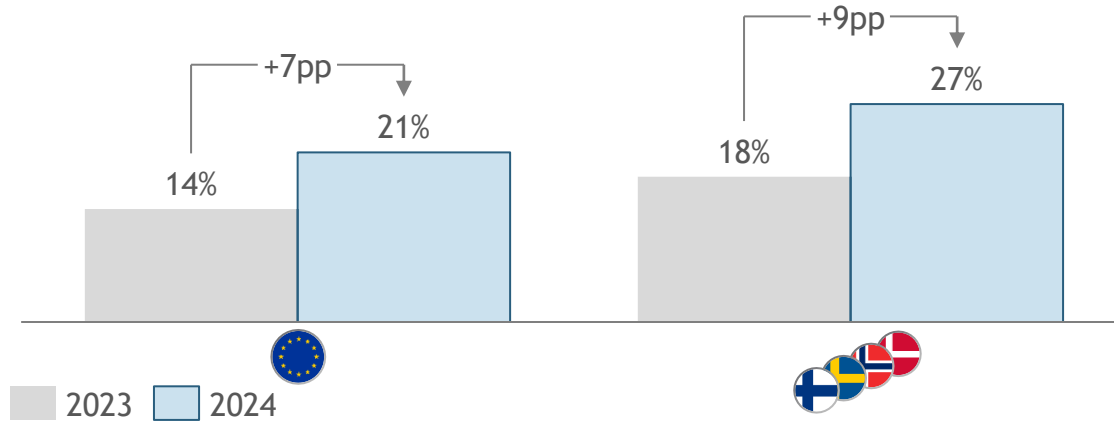


200+ European executives surveyed on their perspectives, priorities, and challenges for 2024

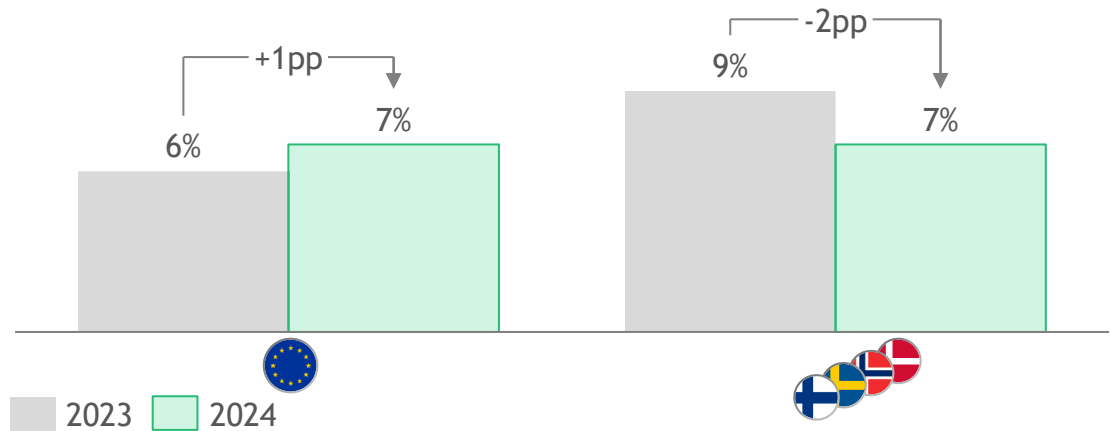
# Significant uptick in transformation pressure in 2024, more pronounced than for EU



Transformation pressure



Restructuring pressure



About **1 in 4** companies face significant transformation pressure in the Nordics

About **1 in 15** companies face significant restructuring pressure in the Nordics

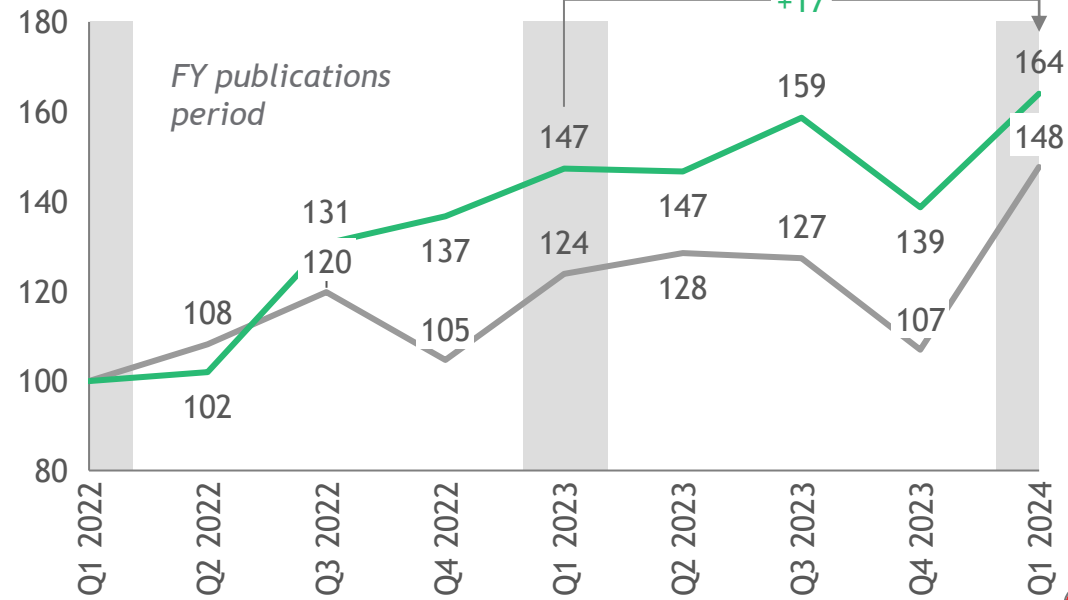
Note: BCG Transform and Special Situations Index is based on share of revenue. Sources: S&P Capital IQ; BCG analysis.

# AI-powered sentiment analysis shows transformation topics are currently gaining momentum and above European average

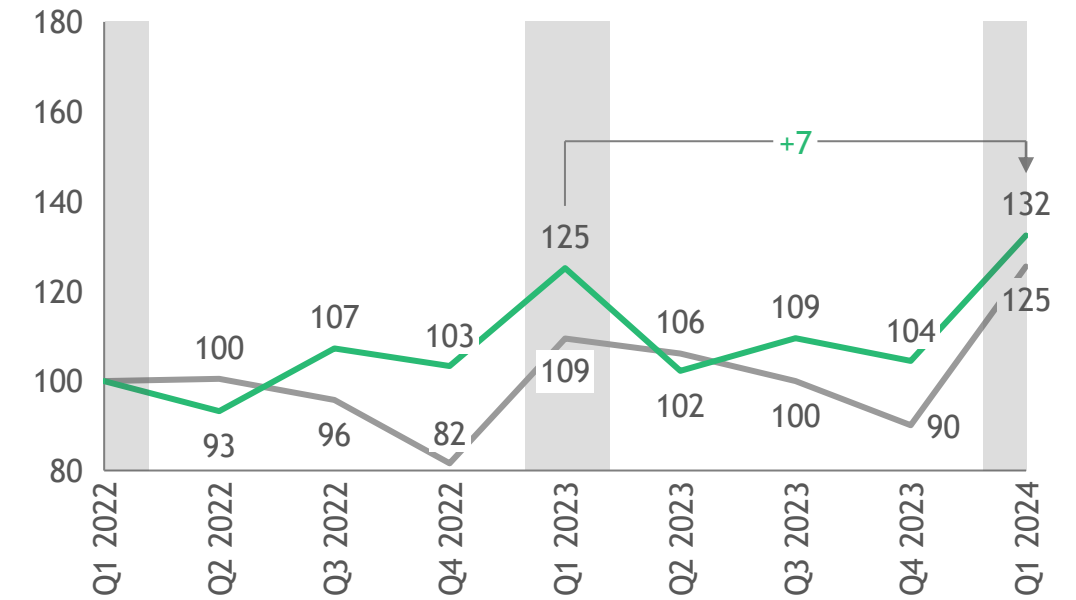
## Development of transformation and restructuring citations in public company documents

Q1 2022 through Q1 2024, index, base 100 = Q1 2022

### Relative frequency<sup>1</sup> of transformation-related company talks



### Relative frequency<sup>1</sup> of restructuring-related company talks

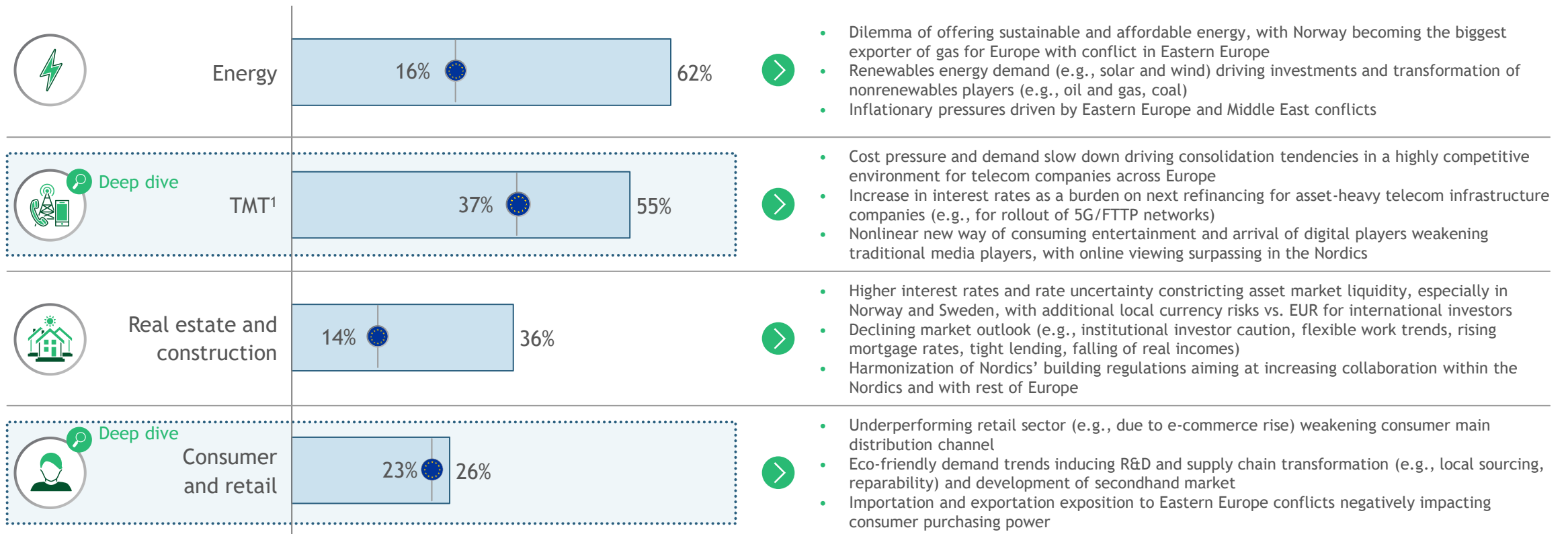


1. AlphaSense trend score (based to 100 for Q1 2022), calculated based on all publicly available documents (company documents, research documents, transcripts), smoothed quarterly data. Sources: AlphaSense; BCG analysis.

# Among sectors that are under pressure, we spotlight TMT and consumer and retail as facing the more severe headwinds in the years to come



Transformation pressure (%)



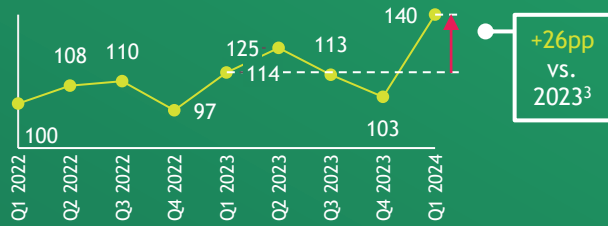
1. TMT = technology, media, and telecommunications.  
 Note: Sectors with more than ten companies in scope and above European average.  
 Source: Capital IQ, BCG analysis.

## Key figures

55% vs. 47% in 2023

Transformation pressure

## Restructuring and transformation topics<sup>2</sup>

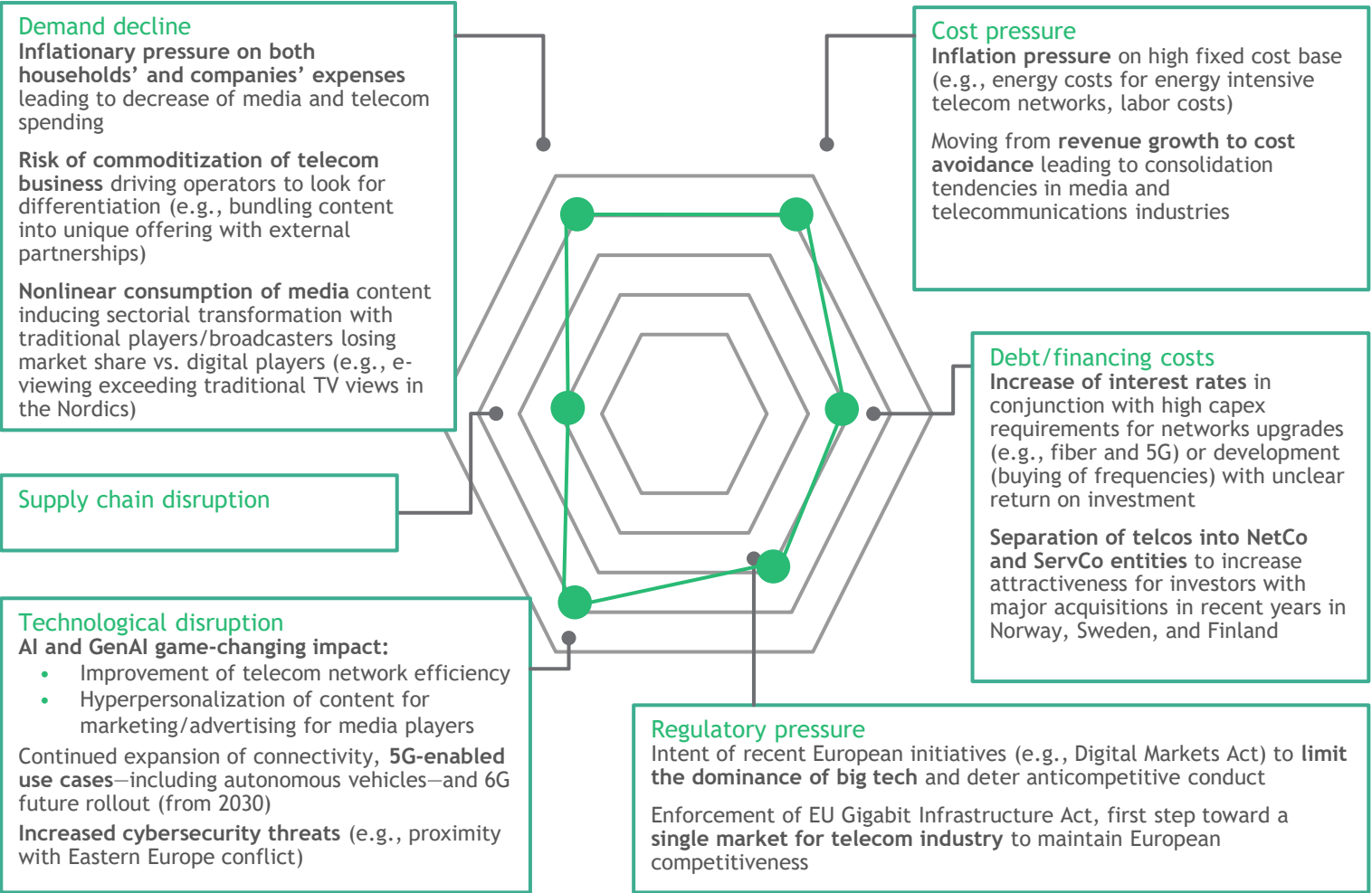


## Top executive views

- 59% vs. 34% in **Worried about uncertain economic outlook**
- 25% vs. 18% in **Worried about human capital and talent accessibility for their company**
- 65% vs. 10% in **Have margin enhancement as their top priority for 2024**



# Key trends and challenges in the Nordics



1. TMT = technology, media, and telecommunications. 2. Relative frequency of restructuring and transformation topics via public citations. 3. Comparing Q1 2023 with Q1 2024.

Sources: S&P Capital IQ; AlphaSense; BCG analysis and BCG expert views; BCG C-Suite survey 2024.



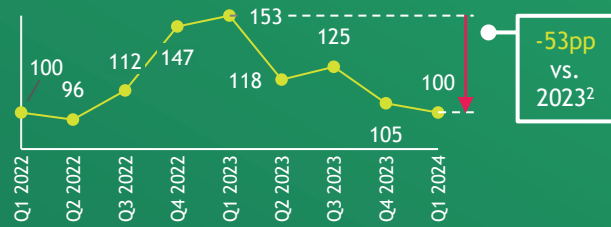
# Consumer and retail

## Key figures


26%  vs. 23% in 2023


 Transformation pressure


## Restructuring and transformation topics<sup>1</sup>



## Top executive views<sup>3</sup>

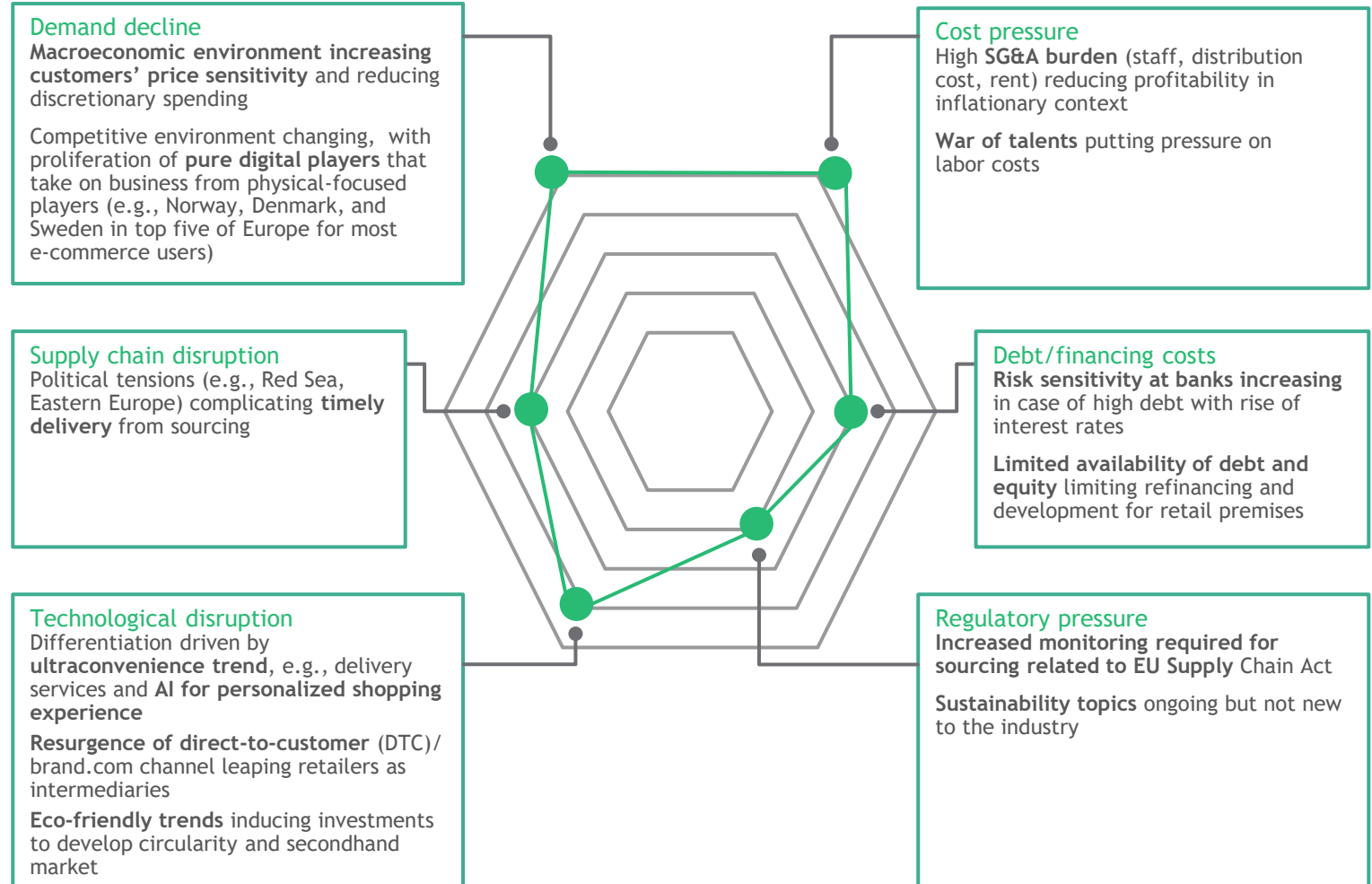
**35%**  vs. 29% in **Worried about inflation and rising interest rates**

**64%**  vs. 54% in **Considering labor cost actions as very important to remain competitive**

**26%**  vs. 14% in **Have volume improvement as their top priority for 2024**



# Key trends and challenges in the Nordics

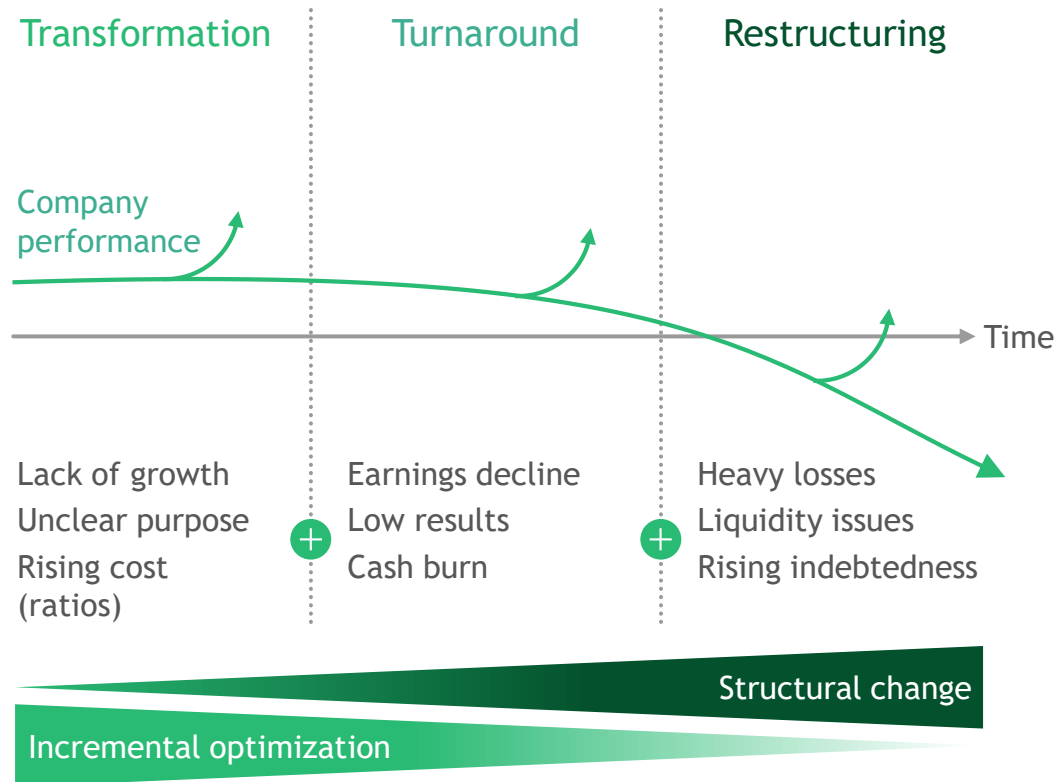


1. Relative frequency of restructuring and transformation topics via public citations. 2. Comparing Q1 2023 with Q1 2024.

3. Consumer goods, including retail.

Sources: S&P Capital IQ; AlphaSense; BCG analysis and BCG expert views; BCG C-Suite survey 2024.

# BCG Transform assists companies for transformation, turnaround, and restructuring



## Typical transformation offering



### Full potential plan (FPP)

FPP development includes cost efficiency, NWC optimization, and CTO offering



### Execution support/ transformation office (TO)

Aligning, monitoring, and steering large-scale transformation programs

## Typical special situations offering



### IBR/restructuring opinions

Creating new and/or validating existing restructuring programs



### Cash office

Establishing 13-week as well as midterm liquidity planning and actively managing cash

Your BCG special situations local experts to assist you along your journey



**Mikko Tynkkynen**  
Managing Director & Partner  
Helsinki



**Matthieu Berthion**  
Managing Director & Partner  
Copenhagen



**Eetu Isto**  
Partner  
Helsinki



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