



**BUREAU VAN DIJK**

A Moody's Analytics Company

# **Russia/CEE M&A Review April 2018**

---

## The following report details mergers and acquisitions activity in Russia/CEE in April 2018 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

## CEE M&A fell to a 12-month-low in April

Mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe (CEE) in April slumped to a 12-month low of 401 deals worth an aggregate EUR 2,357 million, from 734 totalling EUR 9,832 million in March.

M&A fell back at a faster rate month-on-month when compared to year-on-year as volume slipped by 45 per cent and value by 76 per cent over the four weeks against a decline of 42 per cent and 60 per cent, respectively, over the 12 months.

The value of CEE M&A failed to sustain momentum during the first three months of 2018 that had resulted in two consecutive months of growth as dealmaking slipped to the lowest recorded since August 2016, when EUR 2,315 million-worth of deals were announced; similarly, volume was at a nadir not seen since May 2006 (388).

## CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Apr-18	401	2,357
Mar-18	734	9,832
Feb-18	657	6,090
Jan-18	665	4,764
Dec-17	787	18,013
Nov-17	753	8,947
Oct-17	735	6,018
Sep-17	659	18,000
Aug-17	609	4,133
Jul-17	873	5,041
Jun-17	956	4,564
May-17	731	5,234
Apr-17	692	5,869



Welcome to the business of certainty.  
We capture and treat private company and M&A information for better decision making and increased efficiency.  
Bureau van Dijk is a Moody's Analytics company



The most comprehensive deal database

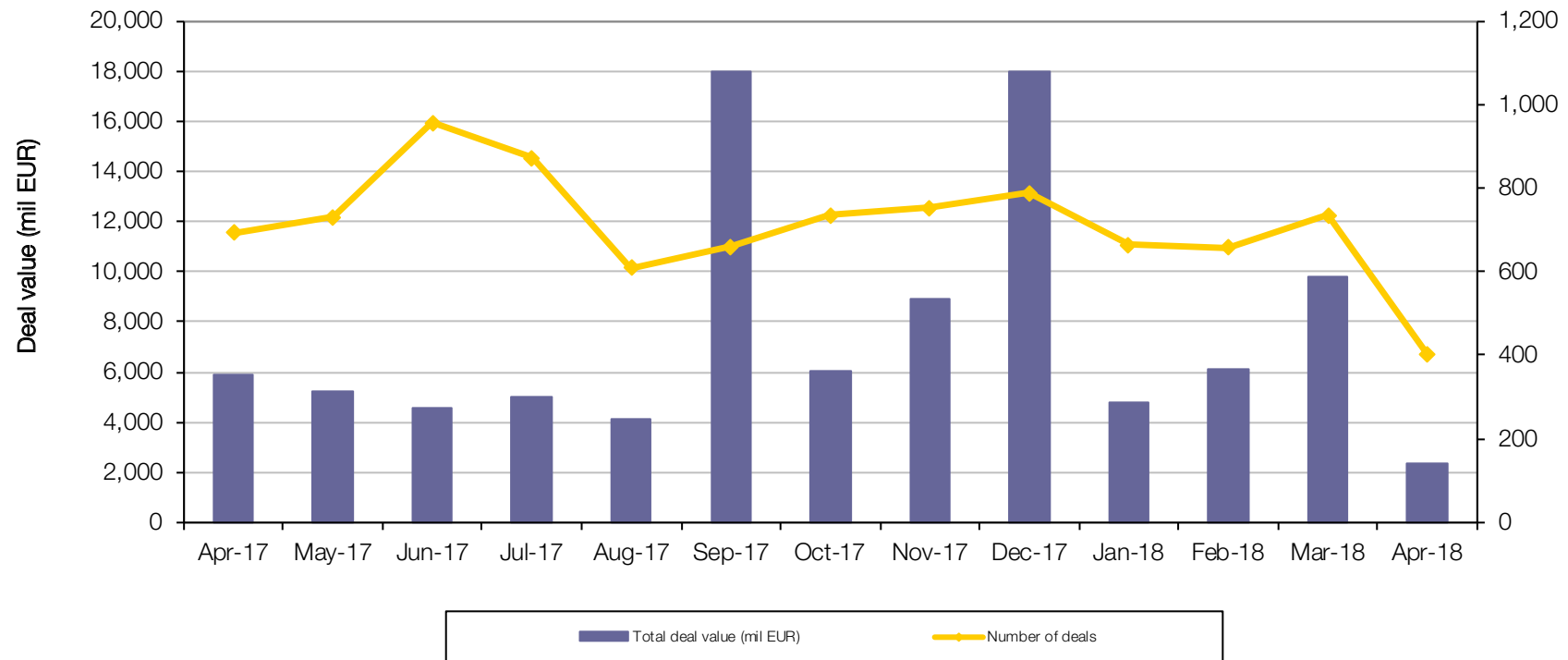


The world's most powerful comparable data resource on private companies



Combining deal and company data

## CEE deals by volume and value



## Russian deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Apr-18	117	852
Mar-18	152	6,283
Feb-18	165	4,230
Jan-18	163	1,808
Dec-17	242	13,283
Nov-17	187	5,370
Oct-17	171	4,979
Sep-17	148	15,680
Aug-17	177	2,905
Jul-17	153	3,746
Jun-17	186	1,461
May-17	124	3,076
Apr-17	123	2,691

## Russia dominated top 20, though Polish company announced the largest M&A by value

While Russia dominated the top 20 deals in April, a Polish company accounted for the largest by value after Bank BGZ BNP Paribas announced plans to take over Raiffeisen Bank Polska's core banking business for EUR 775 million.

This one deal was worth more than the aggregate value of the only other four deals with values over EUR 100 million in April, and it accounted for a third of the month's total value (EUR 2,357 million). It was also one of two banking deals that featured in the top 20: Bank VTB is injecting EUR 81 million into Ukrainian lender VTB Bank.

While high-value dealmaking was mainly kept within CEE in April, there were a couple of notable exceptions. Phoenix Pharma of Germany announced the region's third-largest deal, namely the acquisition of Farmexim and Help Net Farma for EUR 150 million to expand its footprint in Romania's growing healthcare market, and TRG Management of the US completed the institutional buyout of Romanian pet supply store Pet Product for EUR 20 million.

Companies based in Croatia featured in April's top 20 as PBZ Croatia Osiguranje and Erste bought 71 per cent of Jadran for EUR 27 million while Valamar Riviera acquired 55 per cent of Hoteli Makarska. The two deals involved disposals by the Croatian government and the state's centre for enterprise restructuring and privatisation.

## April's disappointing M&A reflected in dealmaking across CEE countries

A year-on-year increase in the value of deals targeting companies based in Poland, Slovenia and Macedonia came against a decline across Russia and the Ukraine, among others, and failed to offset the month-on-month slump in the value of deals that targeted Bulgaria and Serbia, not to forget Hungary and Montenegro, where aggregate known value was stripped away from EUR 2,804 million and EUR 2,800 million, respectively, in March.

Poland was the main target country by value in April, with EUR 928 million, though the acquisition of Raiffeisen Bank Polska's core operations accounted for 84 per cent of this amount.

Russia was the main target country by volume in April, with 117 deals, or 29 per cent of CEE's total value for the month, followed by the Ukraine (91), despite volume falling over the four weeks and 12 months. In fact, only Romania and Macedonia bucked the year-on-year decline in volume.

## Individual deals with single, high valuations propped up several sectors

Companies operating in the banking sector announced a total of EUR 905 million-worth of deals in April, which was almost three times the aggregate value recorded for metals and metal products (EUR 317 million), which was propped up by the sale of a 3 per cent stake in Severstal by Astroshine for roughly EUR 314 million, based on the stock market value at the time.

Similarly, two deals each worth more than USD 100 million made wholesale and retail trade the third-largest target sector with EUR 314 million, while a purchase of a minority stake in oil and gas extractor Slavneft-Megionneftegaz for EUR 134 accounted for almost all the EUR 165 million-worth of deals recorded for the primary sector in April.

Growth was stripped away from the value of deals targeting sectors such as food, beverages, tobacco, and post and telecommunications over the four weeks.

## Top deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquirer	Acquirer country	Deal status
1.	775	Acquisition 100%	Raiffeisen Bank Polska SA's core banking business	PL	Bank BGZ BNP Paribas SA	PL	Pending
2.	314	Minority stake 3%	Severstal PAO	RU			Completed
3.	150	Acquisition 100%	Farmexim SA; Help Net Farma SA	RO; RO	Phoenix Pharma SE	DE	Announced
4.	134	Minority stake	Slavneft-Megionneftegaz OAO	RU	TOC Investments Corporation Ltd	CY	Completed
5.	114	Acquisition 67%	Invest-Proekt OOO	RU	Safmar Finansovye Investitsii PAO	RU	Announced
6.	81	Acquisition	VTB Bank PAT	UA	Bank VTB PAO	RU	Announced
7.	77	Capital Increase 52%	Voronezhskoe Aktsionernoe Samoletostroitelnoe Obshchestvo PAO	RU	Obyedinennaya Aviastroitelnaya Korporatsiya PAO	RU	Announced
8.	73	Acquisition 100%	Lagardere SCA's radio business in Poland; Lagardere SCA's radio business in Slovakia; Lagardere SCA's radio business in Romania; Lagardere SCA's radio business in Czech Republic	PL; SK; RO; CZ	Czech Media Invest AS	CZ	Announced
9.	63	Minority stake	Slavneft-Yaroslavnefteorgsintez OAO	RU	TOC Investments Corporation Ltd	CY	Completed
10.	55	Acquisition 93%	SAN InBev Ukrayina PAT	UA	Investors		Completed
11.	50	Acquisition 100%	Kharkivska TETs-5 PrAT	UA	San Posidanius Investments Ltd	CY	Completed
12.	42	Minority stake 14%	Mabion SA	PL	Twiti Investments Ltd	CY	Announced
13.	28	Minority stake	Siti-Mobil OOO	RU	Investors; Mail.ru Group Ltd; MegaLabs AO	VG; RU	Completed
14.	28	Minority stake	GAZ PAO	RU	Investtekh OOO	RU	Completed
15.	27	Acquisition 71%	Jadran dd	HR	PBZ Croatia Osiguranje dd; Erste doo	HR; HR	Completed
16.	24	Minority stake 20%	PTK-Kholding AO	RU	PromInvestVagon OOO	RU	Completed
17.	23	Acquisition 55% acting in concert	Hoteli Makarska dd	HR	Valamar Riviera dd	HR	Completed
18.	20	IBO 100%	Pet Product SRL	RO	TRG Management LP	US	Completed
19.	18	Acquisition 72%	Intereuropa Globalni Logisticni Servis dd	SI	PricewaterhouseCoopers Svetovanje doo	SI	Announced
20.	16	Acquisition 100%	Adler International Sp zoo's shoe stores business	PL	CCC SA	PL	Pending

## Top private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Fund Manager/General Partner	Deal status
1.	28	Minority stake	Siti-Mobil OOO	RU		Completed
2.	20	IBO 100%	Pet Product SRL	RO	TRG Management LP	Completed
3.	2	Minority stake	Mobitech OOO	RU	Expo Capital DAC	Completed
4.	1	Minority stake	Ekzoatlet OOO	RU	Gosudarstvennaya Korporatsiya Bank Razvitiya i Vneshneekonomicheskoi Deyatelnosti (Vneshekonombank)	Announced
5.	0	Minority stake	GuruTaksi OOO	RU	QIWI Venture	Completed
6.	0	Minority stake	H2Drone	RU	Phystech Ventures	Completed
7.	0	Minority stake 25%	12 FM	RU	Pulsar Ekosistem OOO	Announced
8.	0	Minority stake 25%	Didzhital Loyalty Sistem OOO	RU	Pulsar Ekosistem OOO	Announced
9.	0	Minority stake 25%	NovaST	RU	Pulsar Ekosistem OOO	Announced
10.	0	Minority stake 25%	Chekskan OOO	RU	Pulsar Ekosistem OOO	Announced
11.	0	Minority stake 25%	Irbistekh OOO	RU	Pulsar Ekosistem OOO	Announced
12.	0	Minority stake 25%	Sinkrait OOO	RU	Pulsar Ekosistem OOO	Announced
13.	0	Minority stake 25%	Bridge	RU	Pulsar Ekosistem OOO	Announced
14.	0	Minority stake 25%	Innosoft OOO	RU	Pulsar Ekosistem OOO	Announced
15.	n.a.	IBO 51%	Astratex SRO	CZ	Hartenberg Capital SRO	Pending
16.	n.a.	Minority stake	Natsionalnaya Yuridicheskaya Sluzhba OOO	RU	iTech Advisors Ltd	Completed
17.	n.a.	Acquisition 24% to 100%	Nalogiya OOO	RU	Skagit Investments Ltd; Finam Company Ltd	Completed

## PE/VC volume at 12-month low, investors put the brakes on high-value investments

A slump in the value of private equity and venture capital (PE and VC) investment in CEE in April reversed the steady growth recorded for the first three months of 2018 as investment plummeted from a 12-month-high of EUR 3,187 million in March to just EUR 53 million, though it should be noted this was by no means the lowest of the last 12 months as the result surpassed that of January 2018 (EUR 50 million), September (EUR 20 million) and July (EUR 10 million).

Investors put the brakes on prolific dealmaking in the CEE as volume fell to just 17 deals, representing the third consecutive monthly decrease and a low not recorded since January 2013 (15 deals).

Value was suppressed by a lack of PE and VC investment worth more than EUR 30 million in April as the month's largest deal only totalled EUR 28 million. This featured MegaFon's MegaLabs, Mail.ru Group and other undisclosed investors taking part in a financing round by taxi company Siti-Mobil. It was one of two PE/VC deals that targeted the taxi segment as QIWI Venture invested in GuruTaksi.

The only other deal announced over the four months that was in double-figures was the institutional buyout of Pet Product by TRG Management. The remaining investments, three of which had no disclosed value, were worth EUR 2 million or less.

## Private equity deals by volume and value

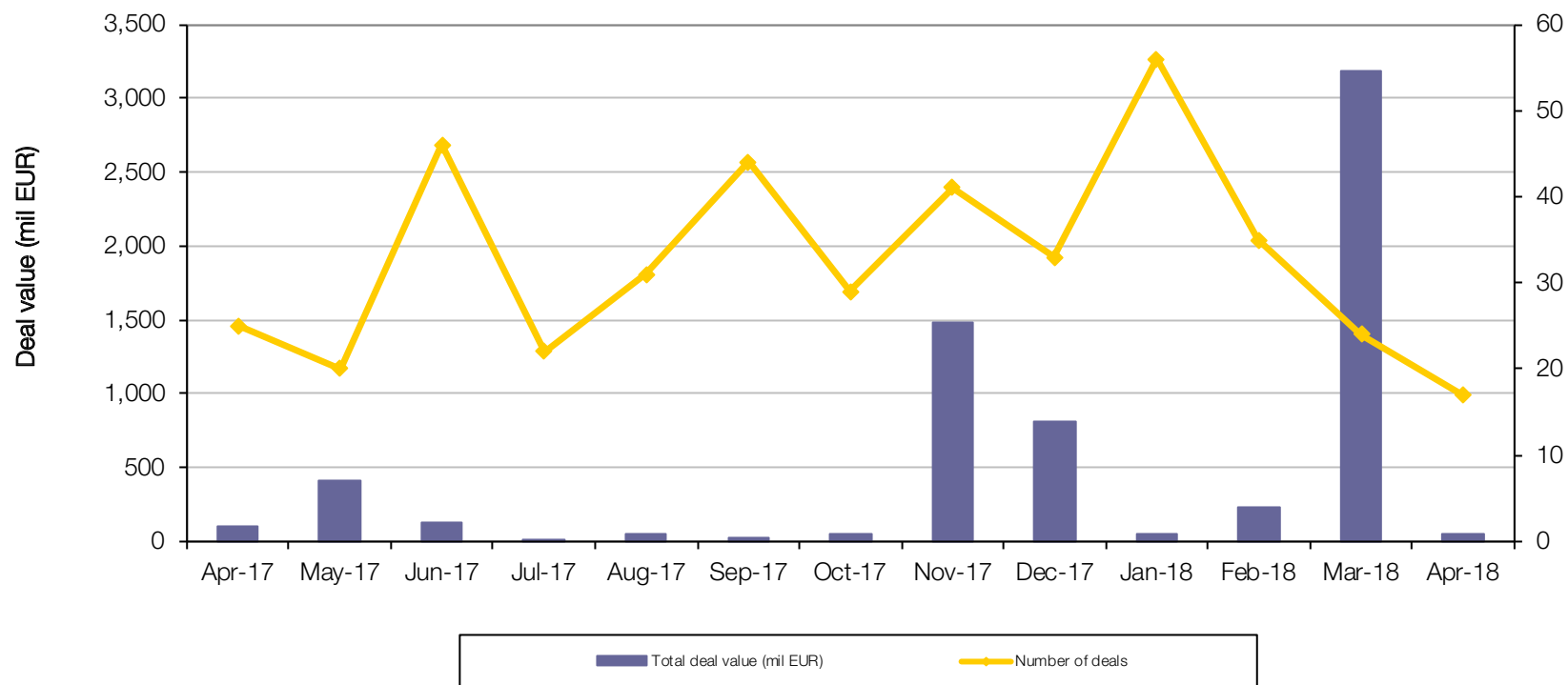
Announced date	No of deals	Total deal value (mil EUR)
Apr-18	17	53
Mar-18	24	3,187
Feb-18	35	228
Jan-18	56	50
Dec-17	33	814
Nov-17	41	1,486
Oct-17	29	56
Sep-17	44	20
Aug-17	31	56
Jul-17	22	10
Jun-17	46	129
May-17	20	411
Apr-17	25	106



## Russian private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Apr-18	15	33
Mar-18	11	55
Feb-18	21	12
Jan-18	35	6
Dec-17	14	13
Nov-17	16	20
Oct-17	18	44
Sep-17	34	12
Aug-17	20	6
Jul-17	10	8
Jun-17	32	6
May-17	5	3
Apr-17	10	3

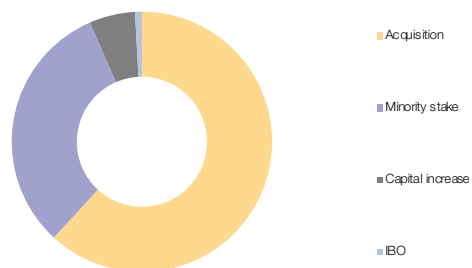
## Private equity deals by volume and value in CEE



## Deal types by volume in April



## Deal types by value in April



## Deal types by volume

Deal type	Apr-17	Mar-18	Apr-18
Acquisition	340	475	212
Minority stake	304	217	145
Capital increase	41	32	41
IBO	5	7	2
MBO	1	2	1

## Deal types by value

Deal type	Apr-17 (mil EUR)	Mar-18 (mil EUR)	Apr-18 (mil EUR)
Acquisition	2,563	2,806	1,457
Minority stake	1,716	813	746
Capital increase	1,927	1,191	134
IBO	64	3,088	20

## Target sector by volume

Target sector	Apr-17	Mar-18	Apr-18
Other services	195	176	108
Machinery, equipment, furniture, recycling	41	42	35
Primary sector	24	39	31
Wholesale & retail trade	67	71	30
Banks	27	28	24
Chemicals, rubber, plastics	26	28	18
Construction	31	29	17
Transport	19	10	14
Gas, water, electricity	20	19	11
Metals & metal products	14	24	10
Food, beverages, tobacco	23	26	9
Insurance companies	13	11	6
Publishing, printing	23	22	6
Education, health	4	10	6
Wood, cork, paper	9	11	5
Hotels & restaurants	16	18	5
Textiles, wearing apparel, leather	7	3	3
Post and telecommunications	7	2	2
Public administration and defence	1	0	0

## Target sector by value

Target sector	Apr-17 (mil EUR)	Mar-18 (mil EUR)	Apr-18 (mil EUR)
Banks	352	85	905
Metals & metal products	4	39	317
Wholesale & retail trade	39	936	314
Other services	363	742	199
Primary sector	670	109	165
Machinery, equipment, furniture, recycling	247	1,132	113
Gas, water, electricity	455	290	74
Chemicals, rubber, plastics	628	88	70
Transport	580	54	58
Hotels & restaurants	116	6	58
Food, beverages, tobacco	1,780	3,380	57
Education, health	0	3	3
Construction	622	67	2
Insurance companies	1	6	1
Publishing, printing	10	4	1
Wood, cork, paper	1	11	0
Textiles, wearing apparel, leather	2	0	0
Post and telecommunications	96	2,815	0
Public administration and defence	0	0	0

## Target country by volume

Target country	Apr-17	Mar-18	Apr-18
Russia	123	152	117
Ukraine	147	126	91
Poland	154	235	61
Czech Republic	79	50	34
Romania	29	58	32
Latvia	20	17	12
Serbia	11	12	10
Croatia	19	7	8
Estonia	22	34	8
Bulgaria	24	18	7
Belarus	14	1	6
Slovenia	5	2	4
Hungary	13	6	3
Bosnia and Herzegovina	13	6	3
Moldova	11	6	3
Macedonia	1	1	2
Slovakia	5	2	2
Lithuania	3	3	1
Montenegro	0	1	0
Albania	0	0	0
Kosovo	0	1	0

## Target country by value

Target country	Apr-17 (mil EUR)	Mar-18 (mil EUR)	Apr-18 (mil EUR)
Poland	347	145	928
Russia	2,691	6,283	852
Romania	449	122	319
Ukraine	1,696	2,019	222
Czech Republic	111	10	78
Slovakia	188	0	73
Croatia	111	6	58
Slovenia	4	8	18
Bosnia and Herzegovina	15	0	9
Bulgaria	139	2,825	6
Serbia	36	2,813	6
Macedonia	0	18	6
Hungary	15	2,804	0
Republic of Moldova	0	0	0
Belarus	0	0	0
Lithuania	14	6	0
Montenegro	0	2,800	0
Albania	0	0	0
Latvia	53	2	0
Kosovo	0	15	0
Estonia	0	288	0

## Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Russia/CEE region covers target companies in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

The date range is 01/04/2018 - 26/04/2018 inclusive