



BUREAU VAN DIJK

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Russia/CEE M&A Review May 2019

The following report details mergers and acquisitions activity in Russia/CEE in May 2019 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.

Volume and value down in May

Both the volume and value of mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe declined in May 2019 as 166 deals worth a combined EUR 1,589 million were announced during the month.

In terms of volume, this represents a 39 per cent decline on the 272 deals announced in April, while the drop was even steeper in a year-on-year comparison (May 2018: 663 deals). It was the same story by value as the result shows a significant slip from April 2019's EUR 4,887 million and May 2018's EUR 27,746 million).

Value was suppressed by the lack of a very large deal during May as no transaction broke the EUR 1,000 million-barrier; the largest overall came in at EUR 419 million.

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
May-19	166	1,589
Apr-19	272	4,887
Mar-19	552	9,556
Feb-19	466	11,604
Jan-19	441	13,653
Dec-18	515	10,276
Nov-18	457	5,233
Oct-18	450	6,370
Sep-18	456	21,511
Aug-18	491	5,348
Jul-18	700	19,223
Jun-18	775	5,756
May-18	663	27,746



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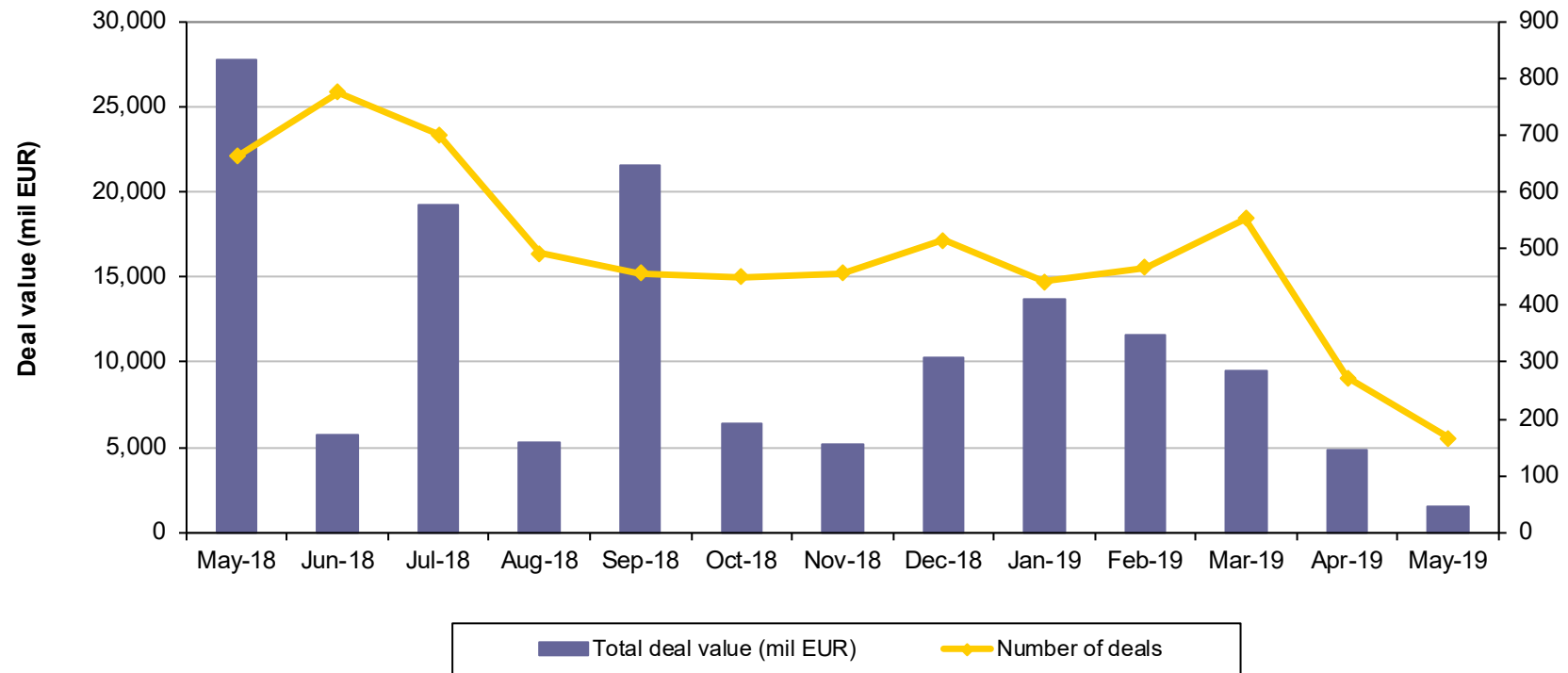


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CEE deals by volume and value



Hungarian company targeted in May's most valuable deal

In an unusual occurrence, the most valuable deal to have been announced in the CEE region in May featured a target headquartered in Hungary as Hon Hai Precision Industry, via its Foxteq Integration subsidiary, invested a further EUR 419 million in wholly-owned PCE Paragon Solutions.

This was followed by a Russian deal as Abinskii Elektrometallurgicheskii Zavod agreed to pick up iron, steel and ferroalloy manufacturer Severstal-Sortovoi Zavod Balakovo for EUR 192 million, while a EUR 176 million investment in metal ore miner Mikhailovskii GOK PAO by Lebedinskii Gorno-Obogatitelyi Kombinat placed third.

Aside from the top deal, the majority of the remaining deals in the month's top 20 by value featured Russian targets. However, there were a few exceptions, such as the seventh-placed deal, which saw PKO Leasing picking up a 94 per cent stake in Polish car leasing player Prime Car Management. In addition, Czech Republic-headquartered Twisto Payments secured a USD 14 million funding round, which placed 16th overall during the month under review.

Russia tops country rankings in May

As usual, Russia topped the country rankings by both volume and value in May, which is not surprising given that targets based there dominated the top 20 deals by value for the month. In all, Russian companies were targeted in 63 deals worth a combined EUR 954 million.

In terms of value, it was followed by Hungary, which attracted EUR 420 million during the month under review, while Romania placed third with EUR 108 million, followed by Poland (EUR 79 million) and Czech Republic (EUR 14 million). The latter was due entirely to the aforementioned funding round by Twisto Payments.

Romania placed second by volume, with 40 deals, while Poland was third with 37.

Top deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
1.	419	Acquisition increased to 100%	PCE Paragon Solutions Kft	HU	Foxteq Integration Inc.	KY	Completed
2.	192	Acquisition 100%	Severstal-Sortovoi Zavod Balakovo AO	RU	Abinskii Elektrometallurgicheskii Zavod OOO	RU	Announced
3.	176	Acquisition increased from 89% to 100%	Mikhailovskii GOK PAO	RU	Lebedinskii Gorno-Obogatitelnyi Kombinat AO	RU	Announced
4.	163	Acquisition increased from 50% to 77%	Chelyabinskii Truboprolatnyi Zavod PAO	RU	Mr Andrei Ilyich Komarov	RU	Completed
5.	102	Minority stake 16%	Nauchno-Proizvodstvennaya Korporatsiya Obyedinennaya Vagonnaya Kompaniya PAO	RU			Completed
6.	89	Minority stake increased from 4% to 6%	FosAgro PAO	RU	Mr Igor Dmitrievich Antoshin	RU	Completed
7.	52	Acquisition 94% Bid 2 - Decreased offer	Prime Car Management SA	PL	PKO Leasing SA	PL	Completed
8.	37	Acquisition 100%	Volgogradskie Mezhraionnye Elektricheskie Seti PAO	RU	Mezhregionalnaya Raspredelitel'naya Setevaya Kompaniya Yuga PAO	RU	Announced
9.	30	Minority stake increased from 29% to 30%	Inter RAO EES PAO	RU	Inter RAO Kapital AO	RU	Completed
10.	28	Minority stake increased to 4%	Neftyanaya Kompaniya LUKoil PAO	RU	Lukoil Securities Ltd	CY	Completed

Top deals by value (cont'd)

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
11.	28	Minority stake increased to 4%	Neftyanaya Kompaniya LUKoil PAO	RU	Lukoil Securities Ltd	CY	Completed
12.	23	Minority stake increased from 7% to 11%	Chelyabinskii Truboprolkatnyi Zavod PAO	RU	Mr Pavel Alekseevich Fedorov	RU	Completed
13.	22	Minority stake increased to 4%	Neftyanaya Kompaniya LUKoil PAO	RU	Lukoil Securities Ltd	CY	Completed
14.	15	Minority stake increased from 5% to 6%	Mobilnye TeleSistemy PAO	RU	Bastion OOO	RU	Completed
15.	14	Capital Increase 33%	Zavod Dagdizel OAO	RU	Korporatsiya Takticheskoe Raketnoe Vooruzhenie AO; Gosudarstvennyi Nauchno-Issledovatel'skii Institut Mashinostroyeniya Imeni VV Bakhireva OAO; Kontsern Morskoe Podvodnoe Oruzhie - Gidropribor AO; Gosudarstvennoye Mashinostroitel'noye Konstruktorskoye Byuro Vympel imeni II Toropova AO; Gosudarstvennoe Nauchno-Proizvodstvennoe Predpriyatie Region AO	RU; RU; RU; RU; RU	Announced
16.	14	Minority stake	Twisto Payments AS	CZ	Velocity Capital BV; UNIQA Insurance Group AG; Finch Capital Partners BV; ING Ventures	NL; AT; NL; NL	Completed
17.	14	Acquisition 28%	Gino Rossi SA	PL	CCC SA	PL	Announced
18.	12	Minority stake 1%	Societatea Energetica Electrica SA	RO			Completed
19.	10	Minority stake 31%	Cemacon SA	RO			Completed
20.	9	Minority stake 1%	Gruppa LSR PAO	RU			Completed

Top private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Fund Manager/General Partner	Deal status
1.	14	Minority stake	Twisto Payments AS	CZ	Velocity Capital BV; Finch Capital Partners BV	Completed
2.	1	Minority stake	Symmetrical Labs Sp zoo	PL	Plug and Play Tech Center; Finch Capital Partners BV; Market One Capital	Completed
3.	0	Minority stake	Heppen Szolgaltato Kft	HU	Hiventures Zrt	Completed
4.	0	Minority stake	Anvert Kft	HU	Hiventures Zrt	Completed
5.	0	Minority stake	Darts Matek Kft	HU	Hiventures Zrt	Completed
6.	0	Minority stake	Trisbee SRO	CZ		Completed
7.	0	Minority stake	Ok-Key To Yourself Kft	HU	Hiventures Zrt	Completed
8.	0	Minority stake	RoutePatch Kft	HU	Hiventures Zrt	Completed
9.	0	Minority stake	Ingrid Sp zoo	PL		Completed
10.	0	Minority stake	Hotspoter	RS		Completed
11.	n.a.	IBO 100%	Baltic Classifieds Group OU	EE	Apax Partners LLP	Announced
12.	n.a.	IBO 99%	Sdelano Moskva OOO	RU	Kismet Kapital Grup OOO	Completed
13.	n.a.	IBO 55%	Tedom AS	CZ	Jet Investment AS	Completed

PE/VC volume up in May

The volume of private equity and venture capital dealmaking bucked the trend for May, by increasing month-on-month. However, value was down over the same timeframe. In all, there were 13 deals worth a combined EUR 16 million announced during the month under review, compared to the EUR 21 million injected across five deals in April.

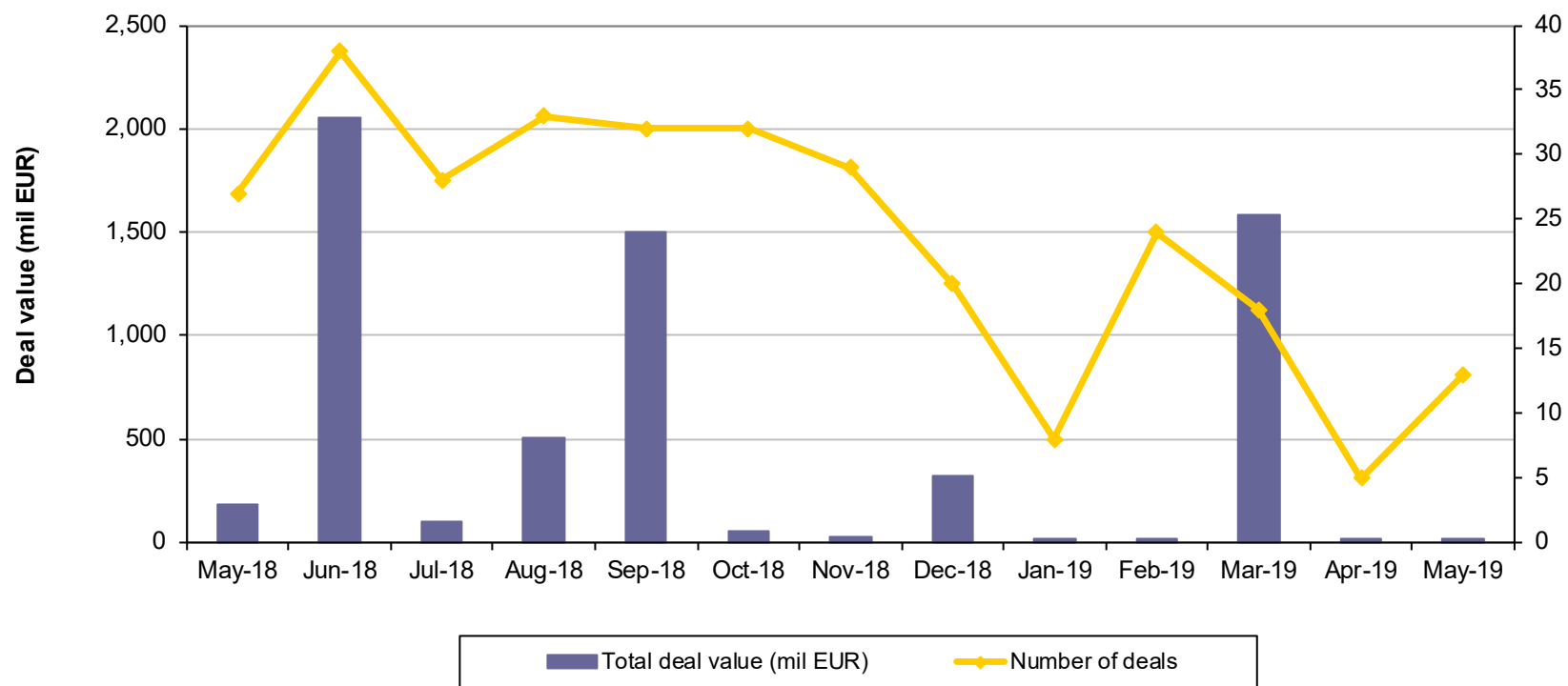
The result was even less promising in a year-on-year comparison as both volume and value were down from 27 and EUR 181 million, respectively, in May 2018. However, May 2019's value was not the lowest of the last 12 months, having surpassed January (EUR 14 million).

The month's largest PE and VC deal in the region was Twisto Payments' EUR 14 million funding round. This was followed by a EUR 1 million injection in Poland-based Symmetrical Labs led by Finch Capital Partners, with participation from Market One Capital, Plug and Play Tech Center and group of business angels.

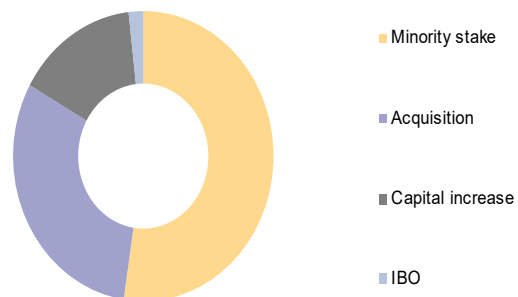
Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
May-19	13	16
Apr-19	5	21
Mar-19	18	1,582
Feb-19	24	21
Jan-19	8	14
Dec-18	20	318
Nov-18	29	25
Oct-18	32	54
Sep-18	32	1,498
Aug-18	33	510
Jul-18	28	102
Jun-18	38	2,051
May-18	27	181

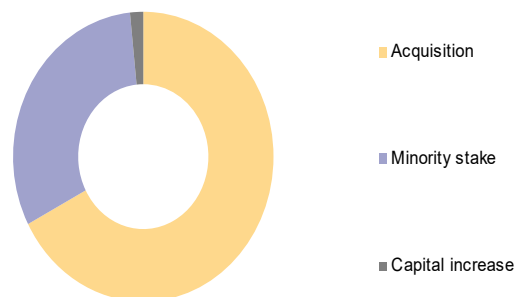
Private equity deals by volume and value in CEE



Deal types by volume in May



Deal types by value in May



Deal types by volume

Deal type	May-18	Apr-19	May-19
Minority stake	168	137	87
Acquisition	436	86	51
Capital increase	48	48	25
IBO	6	0	3

Deal types by value

Deal type	May-18 (mil EUR)	Apr-19 (mil EUR)	May-19 (mil EUR)
Acquisition	24,596	2,498	1,070
Minority stake	2,630	1,385	494
Capital increase	468	963	26

Target sector by volume

Target sector	May-18	Apr-19	May-19
Other services	215	74	42
Primary sector	23	26	21
Banks	34	25	20
Machinery, equipment, furniture, recycling	34	22	15
Construction	27	6	14
Publishing, printing	13	10	9
Gas, water, electricity	16	9	8
Wholesale & retail trade	53	23	8
Food, beverages, tobacco	17	7	6
Chemicals, rubber, plastics	18	21	5
Metals & metal products	19	16	5
Textiles, wearing apparel, leather	10	3	2
Insurance companies	5	0	2
Education, health	8	4	2
Hotels & restaurants	15	4	2
Post and telecommunications	7	5	2
Wood, cork, paper	7	2	1
Transport	17	8	1
Public administration and defence	0	0	0

Target sector by value

Target sector	May-18 (mil EUR)	Apr-19 (mil EUR)	May-19 (mil EUR)
Machinery, equipment, furniture, recycling	245	63	544
Metals & metal products	848	509	378
Chemicals, rubber, plastics	12	1,260	121
Primary sector	302	1,651	105
Other services	19,009	871	86
Gas, water, electricity	2,642	35	85
Banks	2,629	305	44
Post and telecommunications	18,400	79	15
Textiles, wearing apparel, leather	5	8	14
Wholesale & retail trade	984	172	5
Food, beverages, tobacco	67	2	5
Publishing, printing	173	4	4
Hotels & restaurants	98	9	3
Construction	228	1	1
Transport	229	3	1
Insurance companies	246	0	1
Education, health	25	0	0
Public administration and defence	0	0	0
Wood, cork, paper	87	0	0

Target country by volume

Target country	May-18	Apr-19	May-19
Russia	128	124	63
Romania	38	29	40
Poland	238	77	37
Estonia	31	13	7
Hungary	14	1	6
Serbia	6	8	4
Czech Republic	64	1	3
Slovakia	0	0	2
Bosnia and Herzegovina	6	5	1
Slovenia	12	0	1
Ukraine	51	3	1
Bulgaria	7	4	1
Lithuania	2	0	0
Macedonia	3	1	0
Montenegro	0	0	0
Moldova	2	1	0
Croatia	10	3	0
Albania	0	1	0
Belarus	28	0	0
Latvia	26	1	0
Kosovo	0	0	0

Target country by value

Target country	May-18 (mil EUR)	Apr-19 (mil EUR)	May-19 (mil EUR)
Russia	6,991	4,055	954
Hungary	18,402	0	420
Romania	18,492	112	108
Poland	369	541	79
Czech Republic	18,408	44	14
Serbia	1	4	9
Slovakia	0	0	3
Bulgaria	26	90	1
Estonia	645	0	1
Bosnia and Herzegovina	10	7	0
Moldova	5	0	0
Lithuania	125	0	0
Macedonia	5	0	0
Montenegro	0	0	0
Ukraine	272	0	0
Slovenia	486	0	0
Croatia	105	10	0
Albania	0	0	0
Belarus	6	0	0
Latvia	199	25	0
Kosovo	0	0	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 01/05/2019 - 31/05/2019 inclusive

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