



BUREAU VAN DIJK

M&A Review

Russia/CEE

July 2017



The following report details mergers and acquisitions activity in Russia/CEE in July 2017 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.

M&A value supported by Russian dealmaking

Mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe (CEE) fell back in July to 404 deals worth a combined EUR 3,796 million from 871 deals valued at a total EUR 4,212 million in June.

Growth was stripped away from the volume of dealmaking targeting the region as activity halved over the four weeks to the lowest recorded in a decade (May 2006: 388).

Meanwhile, a lack of dealmaking worth EUR 1,000 million or more in July suppressed overall value and contributed to the second consecutive monthly decline which resulted in the second-lowest value recorded for the 12 months (August 2016: EUR 2,252 million).

The decline in value over the four weeks would have been worse if not for a 55 per cent increase in the value of M&A deals by Russian companies (June: EUR 1,459 million; July: EUR 2,262 million).

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jul-17	404	3,796
Jun-17	871	4,212
May-17	672	6,405
Apr-17	654	5,760
Mar-17	825	12,062
Feb-17	619	5,831
Jan-17	715	6,671
Dec-16	769	39,938
Nov-16	724	15,111
Oct-16	681	17,405
Sep-16	658	6,814
Aug-16	640	2,252
Jul-16	720	4,922



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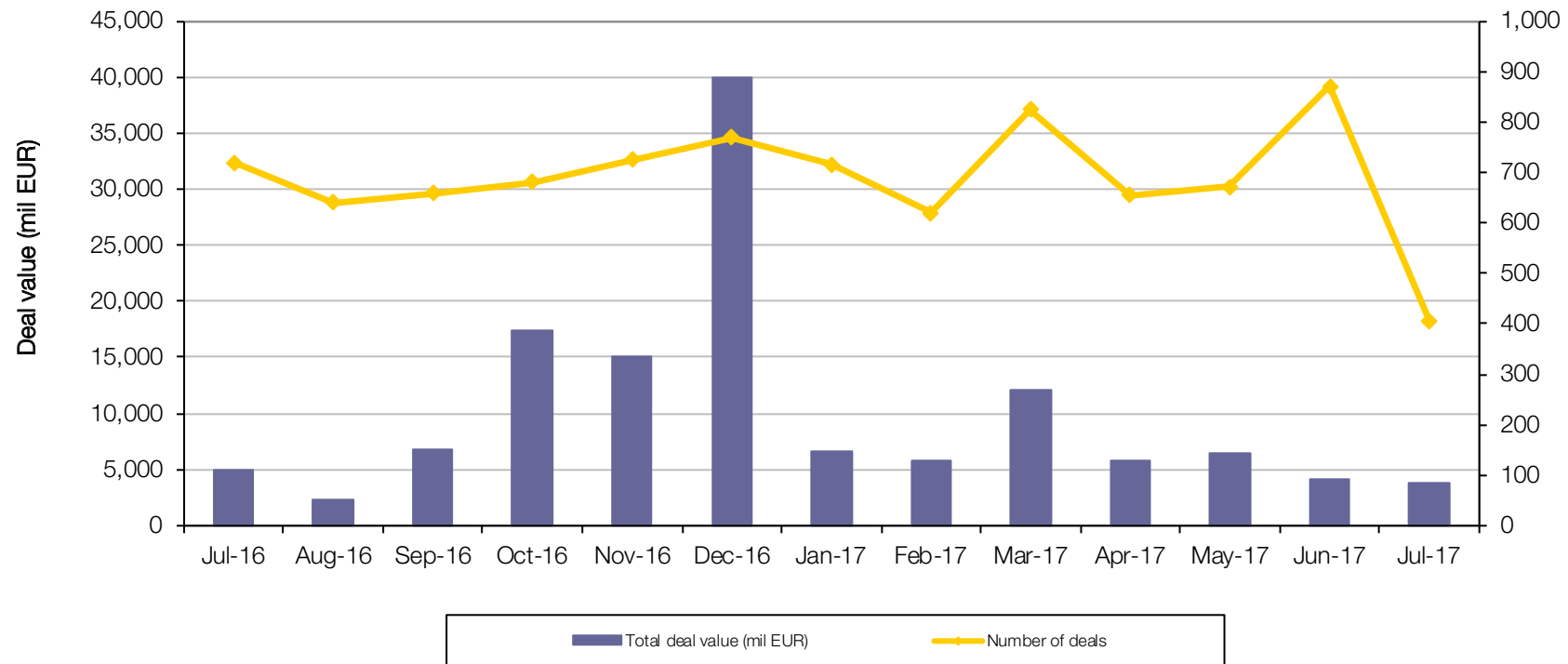
m&a research catalyst



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)
Jul-17	76	2,262
Jun-17	171	1,459
May-17	113	4,199
Apr-17	115	2,563
Mar-17	175	9,497
Feb-17	146	3,425
Jan-17	166	5,256
Dec-16	252	21,917
Nov-16	188	8,346
Oct-16	171	10,423
Sep-16	200	5,038
Aug-16	136	1,372
Jul-16	146	2,798



Banca Romaneasca acquisition was one of the largest deals in July

While Russian companies dominated the top 20 deals by value in July, as usual, a Romanian company accounted for the second-largest deal of the month after OTP Bank of Hungary agreed to acquire Bucharest-based lender Banca Romaneasca from National Bank of Greece for EUR 550 million.

It was one of only two deals which topped EUR 500 million in July, the other of which involved Bank Finansovaya Korporatsiya Otkrytie selling almost a fifth of Russian residential property developer Gruppya Kompanii PIK for EUR 569 million.

The only other Romanian company featured in July's top 20 was OMV Petrom Wind Power as Transeastern Power of the Netherlands signed off on acquiring the wind farm operator from OMV Petrom for EUR 23 million.

Other notable deals of the month included Slovenia Broadband buying television broadcasters Nova and Produkcija Plus Storitveno Podjetje, Powerboom Investments taking a minority stake in Nauchno-Proizvodstvennaya Korporatsiya Obyedinennaya Vagonnaya Kompaniya and Balkan Retail taking over AP Riteyl, among others.

Slovenia M&A value soared month-on-month

Russian companies led by value in July after announcing deals worth a combined EUR 2,262 million, representing 60 per cent of the region's overall M&A value of EUR 3,796 million. While this was an improvement month-on-month, the value of M&A deals announced by Slovenian companies increased at the fastest rate in terms of percentage (June: EUR 1 million; July: EUR 302 million), followed by that of Hungarian companies (June: EUR 1 million; July: EUR 145 million).

A month-on-month and year-on-year increase in the value of dealmaking by companies in countries such as Romania, Croatia and Bulgaria came as growth was stripped away from those in the Ukraine and Poland, among others.

Despite value slumping to just EUR 98 million in July (July 2016: EUR 1,320 million; June 2017: EUR 874 million), Polish companies were once again the most prolific dealmakers after signing off on 152 deals over the four weeks, compared to the 75 deals announced by Russian companies.

Construction trumped banks by value while volume fell

Companies operating in the construction sector announced deals worth a total EUR 1,496 million in July, which accounted for 39 per cent of the month's total EUR 3,796 million (June: EUR 328 million). The value of activity within the industry was supported by four minority stakes deals each worth more than EUR 200 million and which featured Gruppya Kompanii PIK of Russia. Banks signed off on EUR 629 million-worth of deals over the four weeks, though this was down both month-on-month (June: EUR 1,457 million) and year-on-year (July 2016: EUR 1,423 million). Similarly, a decline in M&A value was recorded for sectors ranging from chemicals, rubber and plastics to the primary sector.

Volume was lacklustre across the board, though companies operating in the wholesale and retail trade industry were some of the most prolific dealmakers after announcing 29 deals over the four weeks. The volume of dealmaking by companies in the chemicals, rubber and plastics sector and wood, cork and paper increased month-on-month while textiles, wearing apparel and leather remained static. Month-on-month declines were recorded across the remaining sectors.



Top deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
1.	569	Minority stake 20%	Gruppa Kompanii PIK PAO	RU			Completed
2.	550	Acquisition 100%	Banca Romaneasca SA	RO	OTP Bank Nyrt	HU	Announced
3.	404	Minority stake 14%	Gruppa Kompanii PIK PAO	RU	Siridica Ltd	CY	Completed
4.	252	Minority stake 8%	Gruppa Kompanii PIK PAO	RU			Completed
5.	230	Acquisition 100%	Nova TV dd; Produkcija Plus Storitveno Podjetje doo	HR; SI	Slovenia Broadband Sarl	LU	Announced
6.	225	Minority stake 8%	Gruppa Kompanii PIK PAO	RU	Bank VTB PAO	RU	Completed
7.	174	Minority stake 13%	Nauchno-Proizvodstvennaya Korporatsiya Obyedinennaya Vagonnaya Kompaniya PAO	RU	Undisclosed acquiror; Powerboom Investments Ltd	CY	Completed
8.	172	Minority stake 21%	Gruppa Cherkizovo PAO	RU	Controlling shareholder		Pending
9.	162	Minority stake 13%	Evroplan PAO	RU	Undisclosed acquiror; Daglis AO	RU	Completed
10.	156	Acquisition 100%	AP Riteyl I Eood	BG	Balkan Retail NV	NL	Pending
11.	140	Acquisition 100%	Invitel Tavkozlesi Zrt	HU	Digi Tavkozlesi es Szolgaltato Kft	HU	Pending
12.	137	Acquisition increased to 100%	Gosudarstvennaya Transportnaya Lizingovaya Kompaniya PAO	RU	Ministerstvo Transporta Rossiiskoi Federatsii	RU	Announced
13.	123	Acquisition 75% to 100%	Akado Kholding AO	RU	Renova Aktiv OOO	RU	Completed
14.	88	Acquisition 35% to 100% acting in concert	Energoprojekt Holding AD	RS	Napred Razvoj AD	RS	Announced
15.	44	Acquisition 100%	Elit Esteit SOOO	BY	Sberbank Kapital OOO	RU	Completed
16.	43	Acquisition 100%	Paritetbank OAO	BY	Mr Viktor Mikhailovich Prokopenya	BY	Announced
17.	41	Minority stake 19%	Poslovni Sistem Mercator dd	SI	Sberbank Rossii PAO	RU	Completed
18.	29	Acquisition 100%	Merkur - Trgovina in Storitve dd	SI	HPS Investment Partners LLC	US	Announced
19.	23	Acquisition 100%	OMV Petrom Wind Power SRL	RO	Transeastern Power BV	NL	Pending
20.	22	Acquisition 33% to 66%	Kredyt Inkaso SA	PL	Best 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.	4	Minority stake	Grow Food	RU	AddVenture	Completed
2.	2	Minority stake	Igrovye Resheniya OOO	RU	Avtonomnaya Nekommercheskaya Organizatsiya Agentstvo Strategicheskikh Initsiativ po Prodvizheniyu Novykh Proektov	Completed
3.	0	Minority stake 17%	Evilport Sp zoo	PL	Erne Ventures SA	Completed
4.	n.a.	Minority stake	AeroMobil SRO	SK	InfraPartners Management LLP	Completed
5.	n.a.	Minority stake 10%	GrapTil.com	RU		Announced
6.	n.a.	Minority stake 10%	YourChart.net	RU		Completed
7.	n.a.	Minority stake 10%	Sherstakovich i Partnery OOO	RU		Completed



PE and VC investment slumped in July

Private equity and venture capital (PE and VC) investment in the CEE region fell to a new 12-month low of 7 deals worth a known combined EUR 7 million from 40 deals totalling EUR 41 million in June and from 21 deals aggregating at EUR 34 million in July 2016.

The largest PE and VC deal of the month involved AddVenture investing EUR 4 million in Grow Food of Russia, which was one of five deals announced over the four weeks by companies based in the country (Igrovye Resheniya; GrapTil.com; YourChart.net; Sherstakovich i Partnery).

The only two non-Russian deals featured Polish video game developer Evilport securing EUR 120,000 from Erne Ventures and InfraPartners Management investing an undisclosed sum in Slovakian flying car maker AeroMobil.

Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jul-17	7	7
Jun-17	40	41
May-17	17	418
Apr-17	24	115
Mar-17	39	3,034
Feb-17	24	1,766
Jan-17	51	553
Dec-16	43	33
Nov-16	66	677
Oct-16	37	3,172
Sep-16	45	77
Aug-16	32	69
Jul-16	21	34

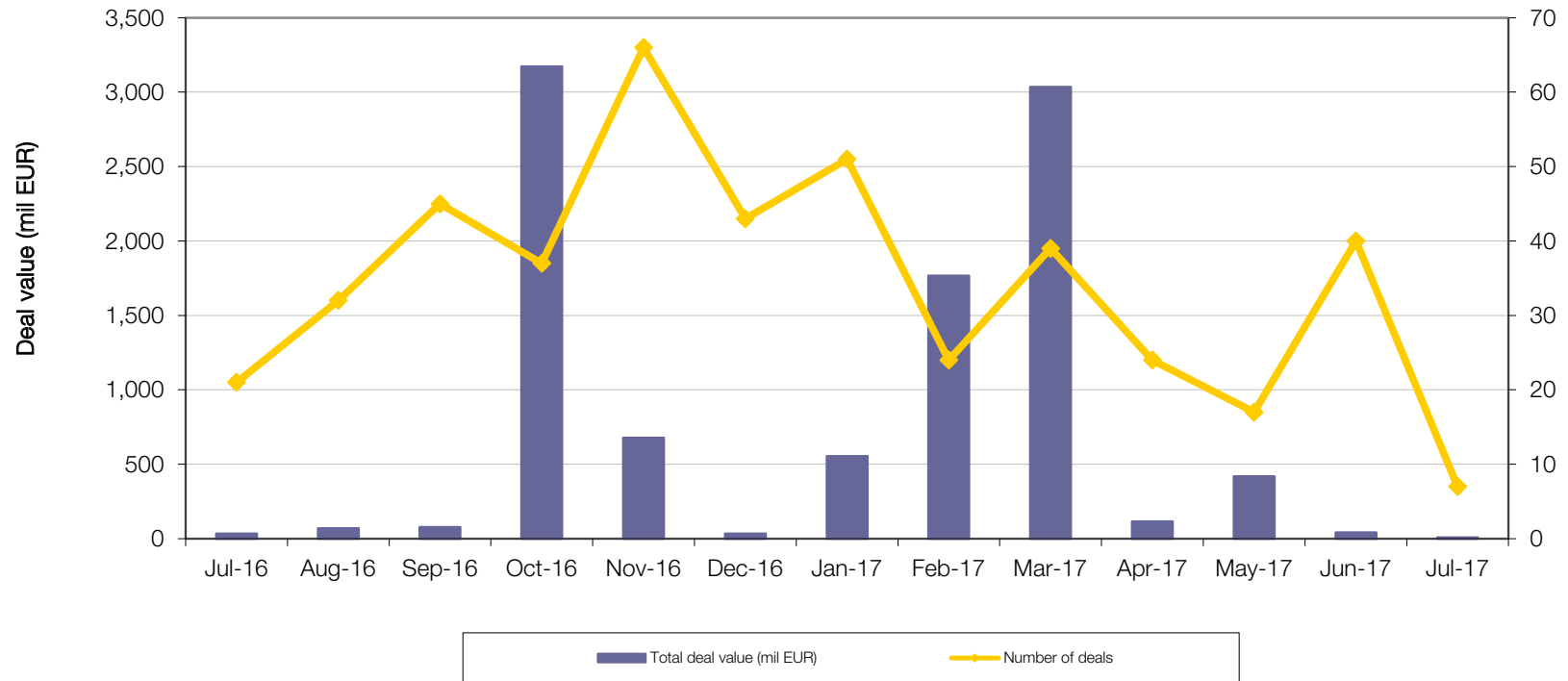


Russian private equity deals by volume and value

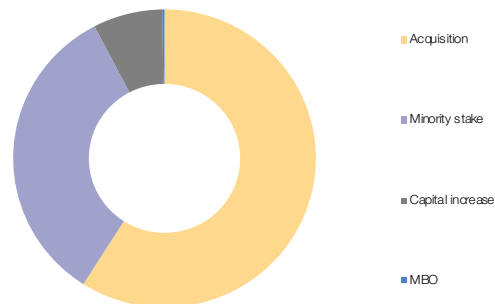
Announced date	No of deals	Total deal value (mil EUR)
Jul-17	5	7
Jun-17	29	1
May-17	2	2
Apr-17	8	1
Mar-17	14	2,845
Feb-17	12	1
Jan-17	36	282
Dec-16	26	21
Nov-16	12	118
Oct-16	19	31
Sep-16	35	2
Aug-16	13	1
Jul-16	9	7



Private equity deals by volume and value in CEE



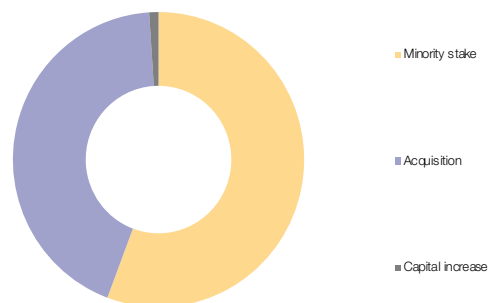
Deal types by volume in July



Deal types by volume

Deal type	Jul-16	Jun-17	Jul-17
Acquisition	483	506	239
Minority stake	196	315	135
Capital increase	33	47	30
MBO	1	0	1

Deal types by value in July



Deal types by value

Deal type	Jul-16 (mil EUR)	Jun-17 (mil EUR)	Jul-17 (mil EUR)
Minority stake	3,124	1,500	2,115
Acquisition	1,258	2,395	1,642
Capital increase	524	282	39



Target sector by volume

Target sector	July-16	Jun-17	July-17
Other services	266	254	120
Wholesale & retail trade	54	76	29
Banks	46	55	28
Construction	33	49	26
Chemicals, rubber, plastics	29	16	19
Food, beverages, tobacco	15	16	13
Transport	22	24	12
Primary sector	26	35	11
Machinery, equipment, furniture, recycling	53	48	11
Metals & metal products	11	13	9
Education, health	5	11	8
Wood, cork, paper	4	6	8
Publishing, printing	17	25	8
Post and telecommunications	10	9	8
Gas, water, electricity	30	39	6
Hotels & restaurants	18	17	6
Insurance companies	4	7	4
Textiles, wearing apparel, leather	6	4	4
Public administration and defence	0	0	0

Target sector by value

Target sector	Jul-16 (mil EUR)	Jun-17 (mil EUR)	Jul-17 (mil EUR)
Construction	5	328	1,496
Other services	177	728	769
Banks	1,423	1,457	629
Machinery, equipment, furniture, recycling	24	380	184
Food, beverages, tobacco	166	276	178
Post and telecommunications	0	6	140
Gas, water, electricity	10	111	113
Wholesale & retail trade	44	35	111
Metals & metal products	54	121	17
Chemicals, rubber, plastics	1,491	397	15
Primary sector	1,185	285	13
Insurance companies	6	2	4
Hotels & restaurants	105	33	3
Transport	155	50	0
Wood, cork, paper	69	7	0
Publishing, printing	1	15	0
Textiles, wearing apparel, leather	0	0	0
Education, health	6	8	0
Public administration and defence	0	0	0



Target country by volume

Target country	Jul-16	Jun-17	Jul-17
Poland	273	403	152
Russia	145	168	75
Ukraine	31	54	27
Romania	24	62	26
Belarus	11	18	24
Latvia	24	21	19
Bulgaria	14	23	16
Czech Republic	101	52	15
Estonia	27	14	12
Bosnia and Herzegovina	9	5	10
Hungary	5	11	9
Moldova	8	6	9
Slovenia	8	8	5
Serbia	7	9	2
Macedonia	0	4	2
Croatia	17	10	2
Slovakia	0	0	1
Lithuania	16	3	0
Montenegro	0	0	0
Albania	1	0	0
Kosovo	0	0	0

Target country by value

Target country	Jul-16 (mil EUR)	Jun-17 (mil EUR)	Jul-17 (mil EUR)
Russia	2,798	1,458	2,262
Romania	32	107	616
Slovenia	37	1	302
Croatia	76	36	230
Bulgaria	8	46	179
Hungary	247	1	145
Poland	1,320	874	98
Serbia	0	5	88
Belarus	0	11	87
Bosnia and Herzegovina	16	2	7
Macedonia	0	2	4
Latvia	17	41	3
Estonia	48	2	3
Moldova	0	0	1
Lithuania	0	11	0
Montenegro	0	0	0
Ukraine	321	1,357	0
Slovakia	0	0	0
Albania	0	0	0
Czech Republic	0	0	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 01/07/2017 - 26/07/2017 inclusive