



BUREAU VAN DIJK

Monthly M&A Activity Report

Russia/CEE, July 2016

zephyr

m&a research
catalyst



The following report details mergers and acquisitions activity in Russia/CEE in July 2016 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 value declines slightly in July

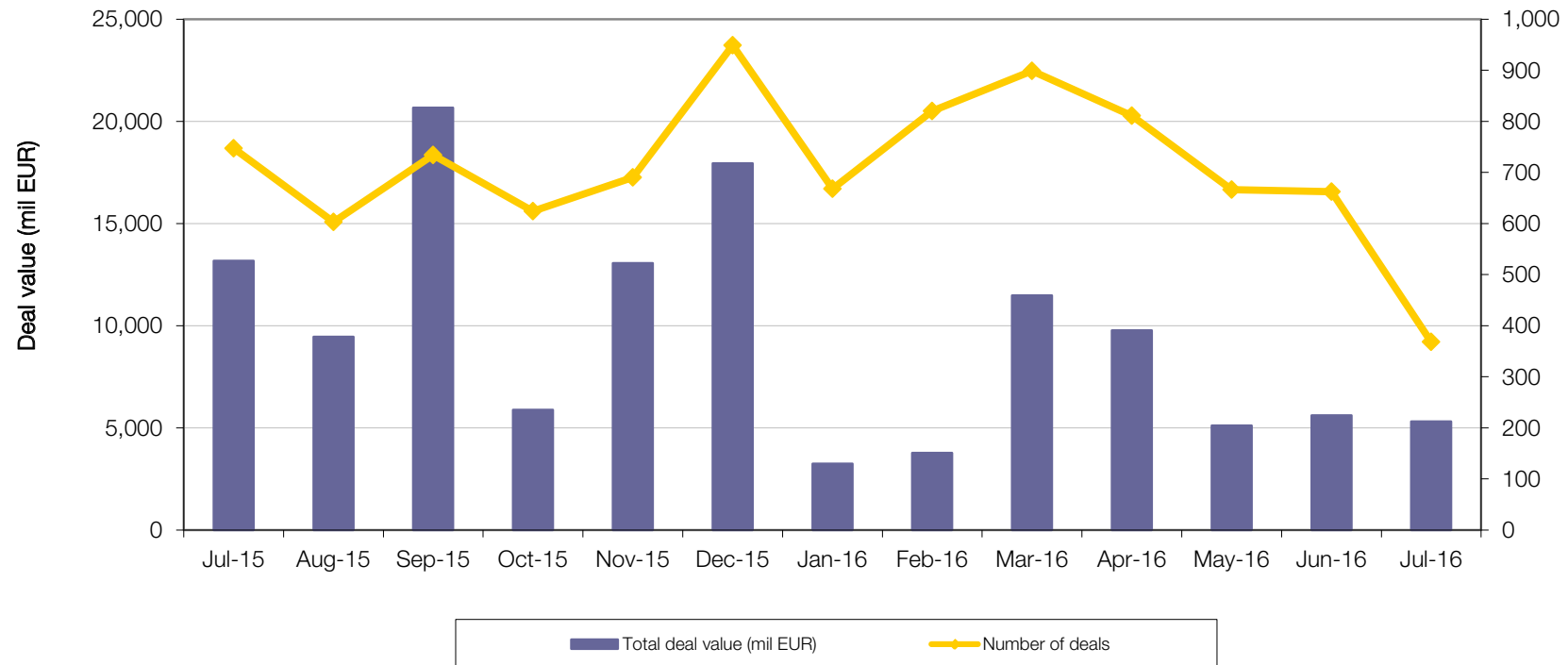
The value of mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe (CEE) dropped slightly in July, falling 5 per cent to EUR 5,307 million from EUR 5,603 million in June. The decline was steeper year-on-year; in July 2015 deals worth EUR 13,175 million were signed off.

Volume also declined both month-on-month and year-on-year. In both cases the decline was even more pronounced than for value. In July 2016 368 deals targeting CEE companies were announced, compared to 662 in June and 747 in July 2015.

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jul-16	368	5,307
Jun-16	662	5,603
May-16	666	5,108
Apr-16	811	9,765
Mar-16	899	11,475
Feb-16	820	3,775
Jan-16	668	3,249
Dec-15	949	17,951
Nov-15	690	13,058
Oct-15	624	5,882
Sep-15	734	20,672
Aug-15	603	9,462
Jul-15	747	13,175

CEE deals by volume and value





Russian deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jul-16	86	2,529
Jun-16	173	4,063
May-16	157	2,066
Apr-16	142	5,085
Mar-16	160	8,250
Feb-16	155	2,751
Jan-16	78	1,353
Dec-15	251	12,455
Nov-15	153	9,104
Oct-15	164	3,865
Sep-15	163	8,392
Aug-15	154	6,788
Jul-15	164	9,176



Russian company targeted in July's largest deal by value

The largest transaction targeting a company based in CEE was worth EUR 1,447 million and took the form of a 20 per cent stake purchase in Russian potash fertilisers maker Uralkalii by Dmitrii Anatolyevich Lobyak from Gruppa Oneksim.

That was the only M&A deal targeting the region to break the EUR 1,000 million barrier in July and accounted for 27 per cent of the month's total value. The transaction was one of four deals featuring a Russian target in July's top 20 by value.

The month's second-largest deal was worth EUR 746 million and featured a Polish banking target as institutional investors picked up a stake of just under 10 per cent in Bank Polska Kasa Opieki.

Other countries to feature in the month's largest transactions include Romania, Hungary, Ukraine and Estonia.

Russia leads by value, Poland by volume

Russian companies were the most valuable targets of M&A in July, having attracted dealmaking of EUR 2,529 million, although the aforementioned Uralkalii deal accounted for 57 per cent of this amount. It was followed by Poland with EUR 1,707 million, while Ukraine was some way behind in third with EUR 371 million.

In terms of volume the top two switched places, with Poland leading the way with 160 deals while Russia came next with 86. Here too third place was far in the distance as Czech Republic was targeted in just 25 deals.

It is no surprise to see Russia and Poland perform so well given that of the month's top 20 deals by value, 12 featured companies based in one of the two countries, including all of the top six.

Despite the overall decline in value month-on-month, a number of countries actually managed to improve on June's result, namely Poland, Ukraine and Romania. Nevertheless, Russia posted a significant decline, dropping 38 per cent from EUR 4,063 million in June to EUR 2,529 million.

Top 20 deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
1.	1,447	Minority stake 20%	Uralkalii PAO	RU	Mr Dmitrii Anatolyevich Lobyak	BY	Completed
2.	746	Minority stake 10%	Bank Polska Kasa Opieki SA	PL	Institutional Investors		Completed
3.	737	Minority stake 11%	Aktsionernaya Kompaniya Alrosa PAO	RU	Upravlyayushchaya Kompaniya RFPI OOO; Undisclosed investors	RU	Completed
4.	357	Acquisition 66% Bid 2 – Increased offer	Bank BPH SA	PL	Alior Bank SA	PL	Pending
5.	353	Acquisition 32% to 66%	AmRest Holdings SE	PL	Cullinan Sarl	LU	Announced
6.	302	Capital Increase 17%	Banca Transilvania SA	RO			Completed
7.	266	Capital Increase	Yamal SPG OAO	RU	Novatek OAO	RU	Announced
8.	247	Acquisition to 100%	Erste Bank Hungary Zrt	HU	Erste Group Bank AG	AT	Announced
9.	189	Capital Increase	Ukrsotsbank PAT	UA	Unicredit SpA	IT	Announced
10.	163	Acquisition 60%	Naftohazvydobuvannya PrAT	UA	DTEK BV	NL	Completed
11.	51	Capital Increase 64%	Nauchno-Proizvodstvennoe Predpriyatie Start im AI Yaskina AO	RU			Announced
12.	48	Acquisition 100%	Kesklinna Hotelli OU	EE	ECB3 Tallinn OU	EE	Announced
13.	43	IBO 66%	Kredyt Inkaso SA	PL	WPEF VI Holding V BV	NL	Announced
14.	35	Acquisition 50%	Imperial dd	HR	Valamar Riviera dd	HR	Announced
15.	33	Acquisition 62% to 79%	Sklejka-Pisz Paged SA	PL	Kinglet 3 Sp zoo	PL	Completed
16.	24	Acquisition 62% to 100% Bid 2 – Increased offer	Suncani Hvar dd	HR	PTR Prime Tourist Resorts (Cyprus) Ltd	CY	Announced
17.	19	Acquisition 100%	Optimum Distribution CZ & SK SRO; Optimum Distribution Sp zoo	CZ; PL	Orbico doo	HR	Completed
18.	17	Acquisition 50%	NewFuels RSEZ SIA	LV	Mr Taer Fze	AE	Completed
19.	15	Acquisition to 100%	BTM 2 Sp zoo	PL	Bytom SA	PL	Completed
20.	14	Minority stake 6%	Livechat Software SA	PL			Completed

Top private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status
1.	43	IBO 66%	Kredyt Inkaso SA	PL	Waterland Private Equity Investments BV	Announced
2.	5	Minority stake	Novaya Meditsina OOO	RU	Yandeks OOO; Baring Vostok Capital Partners Ltd	Completed
3.	5	Minority stake	MyCash	UA		Completed
4.	1	Minority stake	Karfiks OOO	RU		Completed
5.	1	Minority stake	Bigfud OOO	RU	Target Global	Completed
6.	0	Minority stake	Neoventa OOO	RU		Completed
7.	0	Minority stake	Ril Taim Grup OOO	RU	The Untitled Venture Company	Completed
8.	0	Minority stake	Astrakhanskaya Chainaya Kompaniya OOO	RU	Promsvyazbank PAO	Completed
9.	n.a.	IBO 100%	Ask.fm SIA	LV	Noosphere Ventures Management Company LLC	Completed
10.	n.a.	IBO 100%	Cesko - Nemecka Horska Nemocnice Krkonose SRO	CZ	Penta Investments Group Ltd	Completed
11.	n.a.	Minority stake	Baltcom SIA	LV	Providence Equity Partners LLC; Bite Latvija SIA	Completed



PE and VC activity plummets in July

Both the volume and value of private equity and venture capital (PE and VC) targeting companies based in CEE and Russia declined steeply in July. In all there were 11 deals worth a combined EUR 55 million signed off over the course of the month, compared to 53 deals worth EUR 1,279 million in June. The decline was less pronounced year-on-year; in July 2015 EUR 203 million was invested across 26 deals.

Of the 11 deals signed off during July, eight had disclosed values. The largest of these was worth just EUR 43 million as Waterland Private Equity Investments, via its WPEF VI Holding V vehicle, agreed to buy a 66 per cent stake in Polish debt collection firm Kredyt Inkaso.

Private equity deals by volume and value

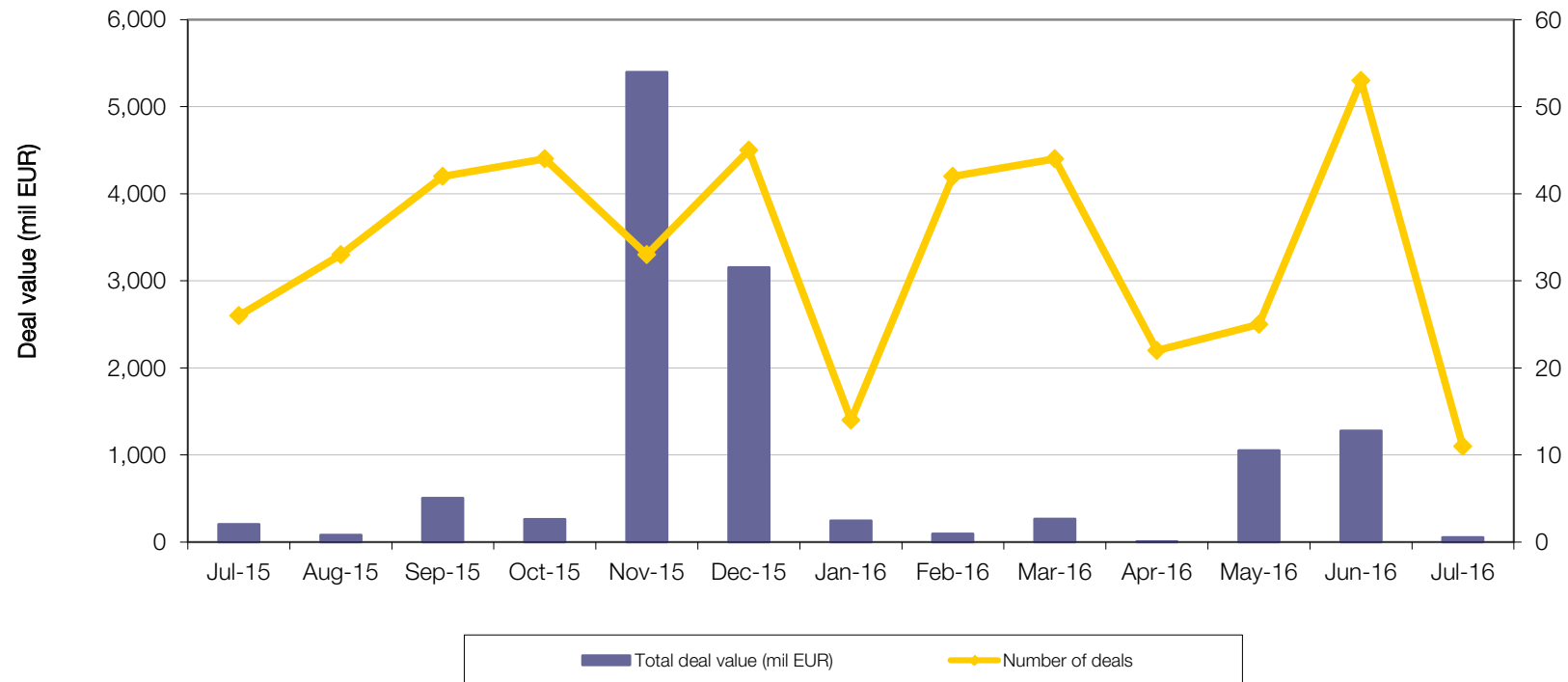
Announced date	No of deals	Total deal value (mil EUR)
Jul-16	11	55
Jun-16	53	1,279
May-16	25	1,052
Apr-16	22	5
Mar-16	44	266
Feb-16	42	94
Jan-16	14	246
Dec-15	45	3,155
Nov-15	33	5,397
Oct-15	44	264
Sep-15	42	505
Aug-15	33	83
Jul-15	26	203



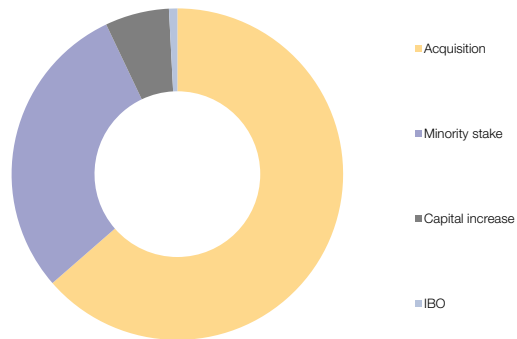
Russian private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jul-16	6	7
Jun-16	43	657
May-16	7	3
Apr-16	8	2
Mar-16	13	18
Feb-16	26	74
Jan-16	5	0
Dec-15	24	1,090
Nov-15	17	5,341
Oct-15	25	78
Sep-15	10	6
Aug-15	7	7
Jul-15	8	42

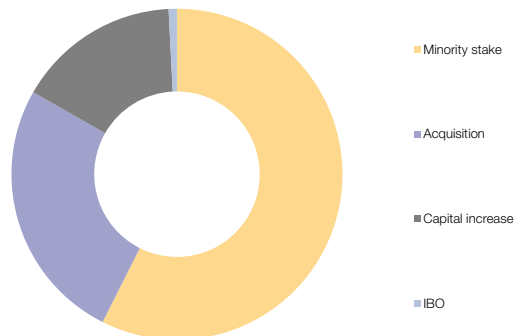
Private equity deals by volume and value in CEE



Deal types by volume in July



Deal types by value in July



Deal types by volume

Deal type	Jul-15	Jun-16	Jul-16
Acquisition	389	320	234
Minority stake	268	291	108
Capital increase	79	42	23
IBO	5	5	3

Deal types by value

Deal type	Jul-15 (mil EUR)	Jun-16 (mil EUR)	Jul-16 (mil EUR)
Minority stake	3,268	3,944	3,047
Acquisition	3,387	628	1,371
Capital increase	6,412	673	846
IBO	108	357	43



Target sector by volume

Target sector	Jul-15	Jun-16	Jul-16
Other services	245	219	119
Wholesale & retail trade	98	42	34
Banks	44	44	20
Construction	56	27	17
Gas, water, electricity	39	27	15
Food, beverages, tobacco	26	13	13
Chemicals, rubber, plastics	42	28	12
Machinery, equipment, furniture, recycling	37	52	12
Metals & metal products	26	9	12
Transport	27	14	11
Hotels & restaurants	23	15	9
Primary sector	11	26	9
Education, health	11	3	7
Publishing, printing	22	12	5
Insurance companies	21	4	5
Post and telecommunications	6	11	4
Wood, cork, paper	6	4	3
Textiles, wearing apparel, leather	8	6	3
Public administration and defence	0	0	1

Target sector by value

Target sector	Jul-15 (mil EUR)	Jun-16 (mil EUR)	Jul-16 (mil EUR)
Banks	5,454	765	1,847
Chemicals, rubber, plastics	1,296	357	1,472
Primary sector	1,186	2,010	1,177
Hotels & restaurants	337	26	463
Other services	2,266	338	159
Metals & metal products	232	12	54
Wholesale & retail trade	93	16	36
Wood, cork, paper	0	138	33
Machinery, equipment, furniture, recycling	535	757	19
Food, beverages, tobacco	59	14	16
Construction	348	10	5
Education, health	2	0	4
Gas, water, electricity	1,059	593	3
Publishing, printing	71	16	1
Textiles, wearing apparel, leather	1	32	0
Transport	62	22	0
Public administration and defence	0	0	0
Post and telecommunications	1	402	0
Insurance companies	54	0	0



Top countries by volume

Target country	Jul-15	Jun-16	Jul-16
Poland	188	194	160
Russia	164	173	86
Czech Republic	24	82	25
Latvia	26	17	20
Ukraine	57	47	19
Estonia	34	23	18
Croatia	11	9	11
Romania	105	30	9
Belarus	22	12	7
Bosnia and Herzegovina	25	15	4
Serbia	17	9	3
Hungary	18	7	3
Slovenia	10	7	2
Bulgaria	25	20	1
Lithuania	3	2	1
Macedonia	0	0	0
Montenegro	5	1	0
Albania	0	0	0
Lithuania	8	3	1
Albania	1	1	0
Kosovo	0	0	0

Top countries by value

Target country	Jul-15 (mil EUR)	Jun-16 (mil EUR)	Jul-16 (mil EUR)
Russia	9,176	4,063	2,529
Poland	1,702	599	1,707
Ukraine	272	35	371
Romania	183	77	312
Hungary	25	376	247
Croatia	37	70	66
Estonia	5	247	48
Czech Republic	43	2	19
Latvia	30	0	17
Bosnia and Herzegovina	201	27	6
Serbia	16	29	0
Bulgaria	1,197	8	0
Belarus	98	20	0
Lithuania	0	1	0
Macedonia	0	0	0
Montenegro	0	0	0
Slovakia	108	0	0
Albania	0	0	0
Slovakia	900	0	0
Albania	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 01/07/2016 - 26/07/2016 inclusive