



zephyr

Zephyr Monthly M&A Activity Report
Russia/CEE, January 2016

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

M&A volume and value drops in January

The volume and value of mergers and acquisitions (M&A) targeting businesses in Central and Eastern Europe (CEE) both decreased in January. There were 428 deals valued at EUR 2,401 million announced during the month, down from 847 worth EUR 17,114 million in December.

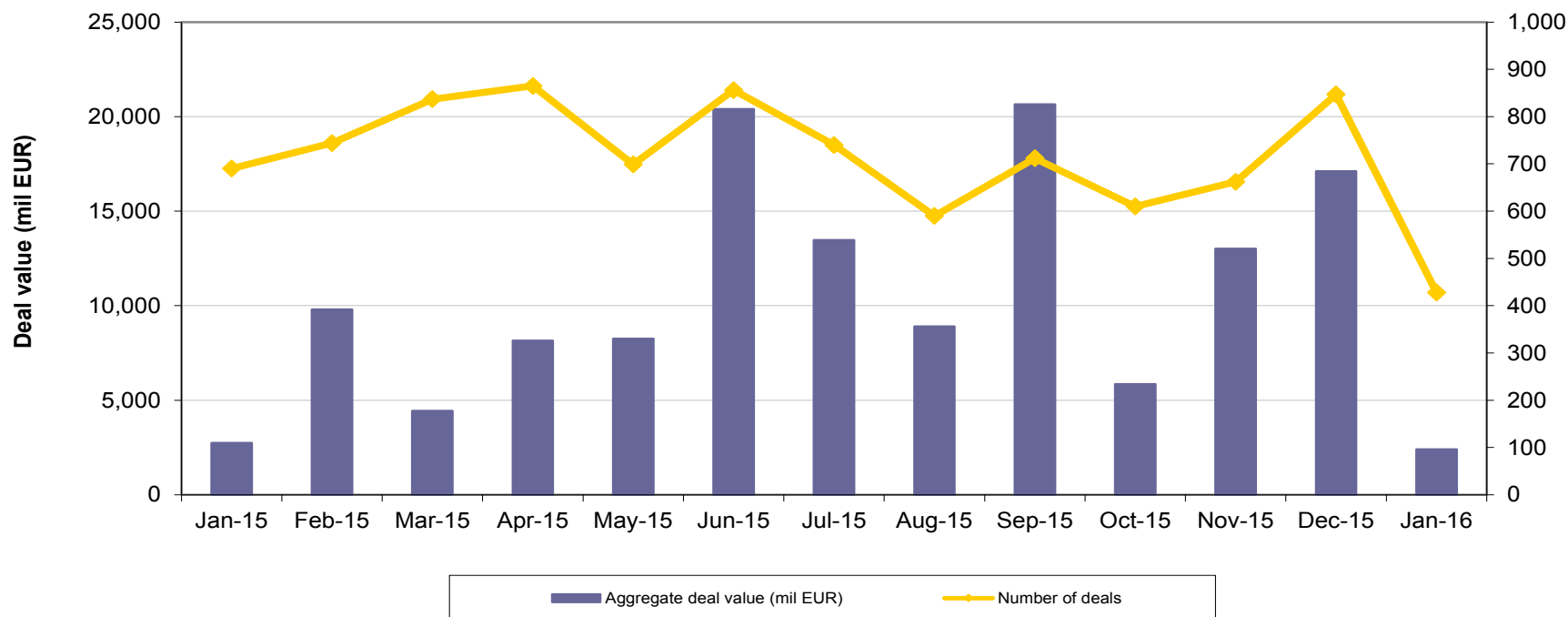
In terms of value, the EUR 2,401 million invested was the lowest monthly value within the last year. Value was slightly down on the EUR 2,746 million injected in January 2015.

M&A targeting Russian companies followed the same pattern, dropping to 49 deals valued at EUR 645 million, compared to 218 worth EUR 12,137 million in December. Volume also declined year-on-year against an increase in value; in January 2015 there were 124 deals worth EUR 621 million.

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jan-16	428	2,401
Dec-15	847	17,114
Nov-15	662	13,014
Oct-15	610	5,854
Sep-15	712	20,644
Aug-15	590	8,894
Jul-15	740	13,464
Jun-15	856	20,395
May-15	699	8,249
Apr-15	865	8,151
Mar-15	837	4,430
Feb-15	744	9,800
Jan-15	690	2,746

Deals by volume and value



Russian deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jan-16	49	645
Dec-15	218	12,137
Nov-15	143	9,124
Oct-15	163	3,775
Sep-15	159	8,432
Aug-15	150	6,788
Jul-15	163	9,463
Jun-15	234	16,937
May-15	119	5,665
Apr-15	190	5,629
Mar-15	168	1,736
Feb-15	149	1,795
Jan-15	124	621

Ukraine leads the way in terms of value

Three of January's five largest deals featured Ukrainian targets, with the frontrunner being the Government of Ukraine's purchase of Derzhavnyy Eksportno-Importnyy Bank Ukrayiny, which was worth EUR 345 million.

In second place, ABH Holdings agreed to acquire Ukrsotsbank for EUR 273 million, in a deal which is expected to complete by the end of 2016.

Poland and Russia were also frequent targets during January and the countries featured in seven and six of the month's top 20 deals by value, respectively. Poland was the most frequently targeted country in January, with 190 deals, followed by the Czech Republic with 56 and Russia with 49.

A small number of large deals with Ukrainian targets ensured the country placed top by value, with total investment of EUR 803 million, followed by Poland with EUR 745 million and Russia with EUR 645 million.

Banking industry leads sector rankings by value

The banking sector attracted the most investment in January, with EUR 959 million injected during the month, a significant decline on December when EUR 3,696 million was invested. Year-on-year the sector increased from EUR 170 million invested across 28 deals.

Three of the top five sectors by value improved month-on-month. Wood, cork and paper, the wholesale & retail trade and insurance companies all climbed on December.

In terms of volume all sectors declined month-on-month, with the exception of the wood, cork and paper industry, which rose from five deals to seven.

Top 20 deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
1.	345	Acquisition increased to 100%	Derzhavnyy Eksportno-Importnyy Bank Ukrayiny PAT	UA	Government of Ukraine	UA	Completed
2.	273	Acquisition 100%	Ukrsofsbank PAT	UA	ABH Holdings SA	LU	Announced
3.	243	IBO 100%	Smyk Sp zoo	PL	Coortland Investments Sp zoo; Cornerstone Partners Sp zoo	PL; PL	Announced
4.	202	Capital Increase 93%	Rossiiskaya Gosudarstvennaya Strakhovaya Kompaniya PAO	RU			Announced
5	184	Acquisition increased to 100%	Derzhavnyy Oshchadnyy Bank Ukrayiny PAT	UA	Government of Ukraine	UA	Announced
6	175	Minority stake 28%	Trubnaya Metallurgicheskaya Kompaniya PAO	RU	TMK Steel Holding Ltd	VG	Completed
7	174	Minority stake 49%	Pfleiderer Grajewo SA	PL	Undisclosed acquirors; Atlantik SA	LU	Completed
8	107	Acquisition 100%	Grupa Duon SA	PL	Fortum Holding BV	NL	Pending
9	99	Acquisition 100%	Magellan SA	PL	Mediona Sp zoo	PL	Pending
10	98	Capital Increase 84%	Kondopoga OAO	RU	Creditors; Shareholders		Announced
11	72	Acquisition increased from 50% to 97%	Bank Vozrozhdenie PAO	RU	Promsvyazbank PAO	RU	Announced
12	58	Minority stake 15%	Bank Uralsib PAO	RU	Mr Nikolai Aleksandrovich Tsvetkov	RU	Completed
13	43	Minority stake 12%	Pfleiderer Grajewo SA	PL			Completed
14	32	Capital Increase 59%	Proton-Permskie Motory PAO	RU			Completed
15	31	Acquisition increased from 90% to 99%	E.On Romania SRL	RO	E.On Beteiligungen Gmbh	DE	Completed
16	28	Acquisition 100%	Eurakras UAB	LT	Lietuvos Energijos Gamyba AB	LT	Completed
17	21	Acquisition increased from 32% to 100%	Biroju Centrs Ezerparks SIA	LV	Valsts Nekustamie Ipasumi SIA	LV	Completed
18	18	Minority stake 2%	AmRest Holdings SE	PL	Undisclosed acquiror		Completed
19	16	Acquisition 100%	Sinergon Petroleum Eood	BG	Toplivo AD	BG	Completed
20	15	Acquisition 100%	Kieleckie Kopalnie Surowców Mineralnych SA w upadlosci likwidacyjnej's assets	PL	Swietokrzyskie Kopalnie Surowcow Mineralnych Sp zoo	PL	Announced

Top 20 private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status
1.	243	IBO 100%	Smyk Sp zoo	PL	Bridgepoint Advisers Ltd; Cornerstone Partners Sp zoo	Announced
2.	9	IBO 100%	Learning Systems Poland SA	PL	Penta Investments Group Ltd	Completed
3.	1	Minority stake	Investly Holding OU	EE	SpeedInvest GmbH	Completed
4.	0	Minority stake	Izi Ten OOO	RU	500 Startups Management Company LLC	Completed
5.	0	Minority stake 27%	Infermedica Sp zoo	PL	Venture Incubator SA	Completed
6.	n.a.	IBO 60%	QFG Sp zoo	PL	Highlander Partners LP	Completed
7.	n.a.	Minority stake	KauntBoks OOO	RU	Enterprise Ireland	Completed
8.	n.a.	Minority stake	WAG payment solutions AS	CZ	TA Associates Management LP	Completed
9.	n.a.	IBO 100%	Medychni Tsentry Medisvit TOV	UA	Siguler Guff & Company LLC	Completed
10.	n.a.	Minority stake	Ekat OOO	RU		Completed
11.	n.a.	Minority stake	Trim Systems	RU	Rossiiskaya Venchurnaya Kompaniya OAO	Completed
12.	n.a.	Minority stake	Agelon M OOO	RU	Rossiiskaya Venchurnaya Kompaniya OAO	Completed

PE value and volume decline

Private equity (PE) investment activity targeting CEE-based companies decreased in January in terms of value as EUR 253 million was invested, compared to EUR 3,352 million in December.

Volume followed a similar pattern, dropping from 37 deals in December to 12.

Year-on-year it was a similar story by volume; in January 2015 there were 27 deals but value climbed from EUR 29 million to EUR 253 million over the year.

Russia was targeted in five PE deals in January, although none of these had a disclosed value. In December there were 21 deals worth EUR 1,286 million, compared to 5 worth EUR 13 million in January 2015.

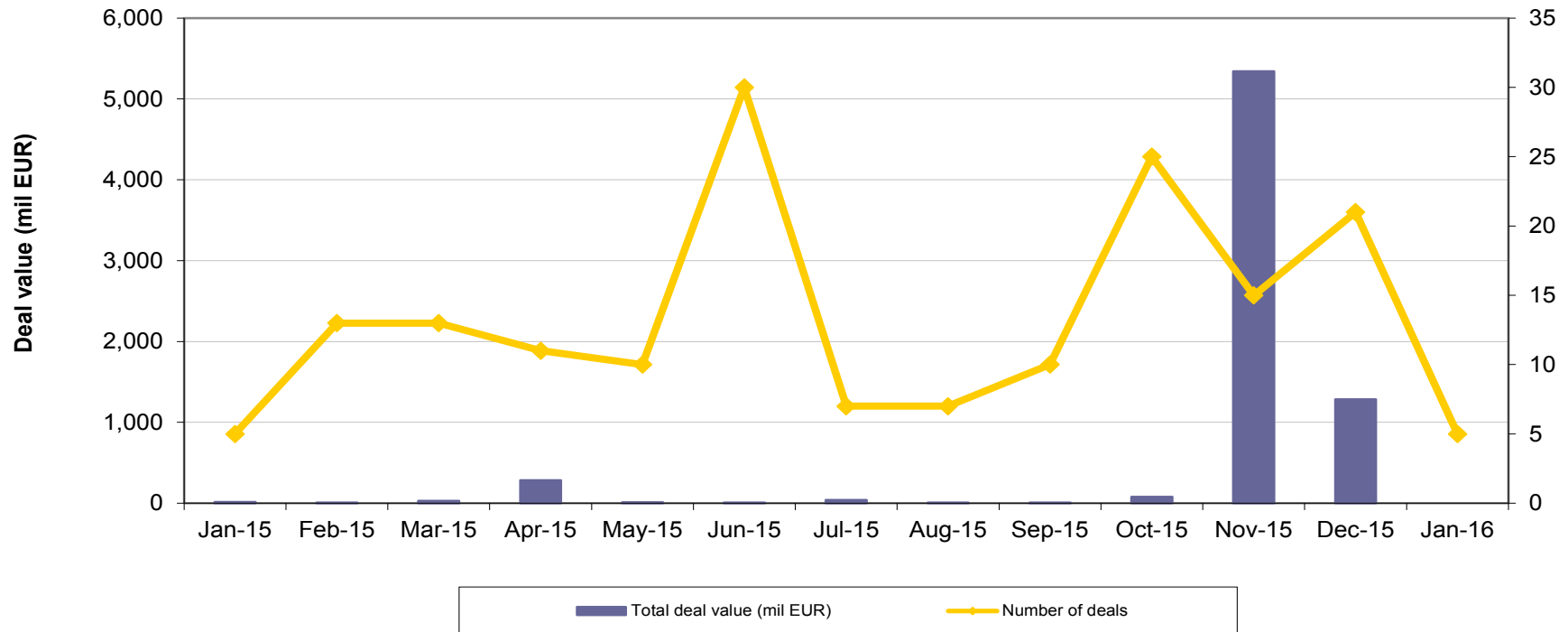
Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jan-16	12	253
Dec-15	37	3,352
Nov-15	32	5,412
Oct-15	44	263
Sep-15	40	503
Aug-15	31	83
Jul-15	24	203
Jun-15	65	289
May-15	34	278
Apr-15	31	679
Mar-15	34	77
Feb-15	46	43
Jan-15	27	29

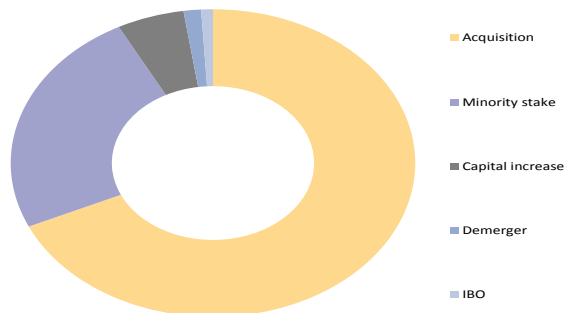
Russian private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Jan-16	5	0
Dec-15	21	1,286
Nov-15	15	5,340
Oct-15	25	78
Sep-15	10	6
Aug-15	7	7
Jul-15	7	41
Jun-15	30	7
May-15	10	10
Apr-15	11	284
Mar-15	13	28
Feb-15	13	8
Jan-15	5	13

Private equity deals by volume and value in CEE



Deal types by volume in January



Deal types by value in January



Deal types by volume

Deal type	Jan-15	Dec-15	Jan-16
Acquisition	365	480	292
Minority stake	257	299	103
Capital increase	57	59	23
Demerger	3	2	6
IBO	5	7	4

Deal types by value

Deal type	Jan-15 (mil EUR)	Dec-15 (mil EUR)	Jan-16 (mil EUR)
Acquisition	716	2,537	1,227
Minority stake	1,513	11,214	554
Capital increase	513	1,363	368
IBO	5	2,000	252

Target sectors by volume

Target sector	Jan-15	Dec-15	Jan-16
Other services	258	310	183
Wholesale & retail trade	85	118	55
Construction	34	56	26
Banks	28	56	26
Machinery, equipment, furniture, recycling	49	48	17
Gas, water, electricity	36	32	14
Primary sector	29	33	12
Chemicals, rubber, plastics	24	28	12
Metals & metal products	17	25	12
Transport	29	29	9
Education, health	15	11	9
Hotels & restaurants	19	25	9
Publishing, printing	15	24	9
Food, beverages, tobacco	24	22	8
Wood, cork, paper	3	5	7
Insurance companies	10	15	7
Post and telecommunications	7	6	4
Textiles, wearing apparel, leather	8	6	3
Public administration and defence	0	0	0

Target sectors by value

Target sector	Jan-15 (mil EUR)	Dec-15 (mil EUR)	Jan-16 (mil EUR)
Banks	170	3,696	959
Wood, cork, paper	0	90	315
Wholesale & retail trade	228	275	276
Insurance companies	21	70	202
Metals & metal products	52	256	183
Other services	354	728	173
Gas, water, electricity	27	882	147
Machinery, equipment, furniture, recycling	75	100	36
Construction	225	15	33
Hotels & restaurants	177	7	20
Chemicals, rubber, plastics	130	3,382	19
Primary sector	1,223	7,311	18
Education, health	1	13	13
Transport	23	147	5
Textiles, wearing apparel, leather	1	3	2
Publishing, printing	19	6	1
Post and telecommunications	13	30	1
Food, beverages, tobacco	6	182	0
Public administration and defence	0	0	0

Top countries by volume

Target country	Jan-15	Dec-15	Jan-16
Poland	146	341	190
Czech Republic	29	27	56
Russia	125	218	49
Estonia	20	36	23
Latvia	13	18	22
Ukraine	41	62	21
Romania	41	20	20
Bulgaria	159	4	12
Bosnia and Herzegovina	8	15	8
Hungary	32	17	6
Croatia	9	8	5
Serbia	16	25	4
Slovenia	7	8	3
Lithuania	6	6	3
Belarus	15	14	3
Moldova	15	20	3
Slovakia	5	4	2
Montenegro	1	4	1
Macedonia	5	0	1

Top countries by value

Target country	Jan-15 (mil EUR)	Dec-15 (mil EUR)	Jan-16 (mil EUR)
Ukraine	43	1,038	803
Poland	383	398	745
Russia	640	12,137	645
Romania	1,173	208	76
Estonia	0	22	36
Bulgaria	84	22	31
Lithuania	0	22	28
Slovenia	111	79	22
Latvia	0	6	21
Serbia	31	62	7
Bosnia and Herzegovina	8	10	6
Hungary	232	120	4
Croatia	240	0	1
Montenegro	0	17	1
Czech Republic	208	222	1

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 01/01/2016 - 28/01/2016 inclusive