



BUREAU VAN DIJK

Monthly M&A Activity Report

Russia/CEE, October 2016

zephyr

m&a research
catalyst



The following report details mergers and acquisitions activity in Russia/CEE in October 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 value doubles as volume falls to new 12-month low

The value of mergers and acquisitions (M&A) targeting companies based in Central and Eastern Europe (CEE) doubled in October from EUR 6,855 million to EUR 13,337 million, representing the second-highest recorded in the 12 months under review after December, when EUR 17,313 million-worth of deals were signed off.

Value increased for the second consecutive month as overall dealmaking was supported by four blockbusters, which together accounted for three quarters of the total EUR 13,337 million.

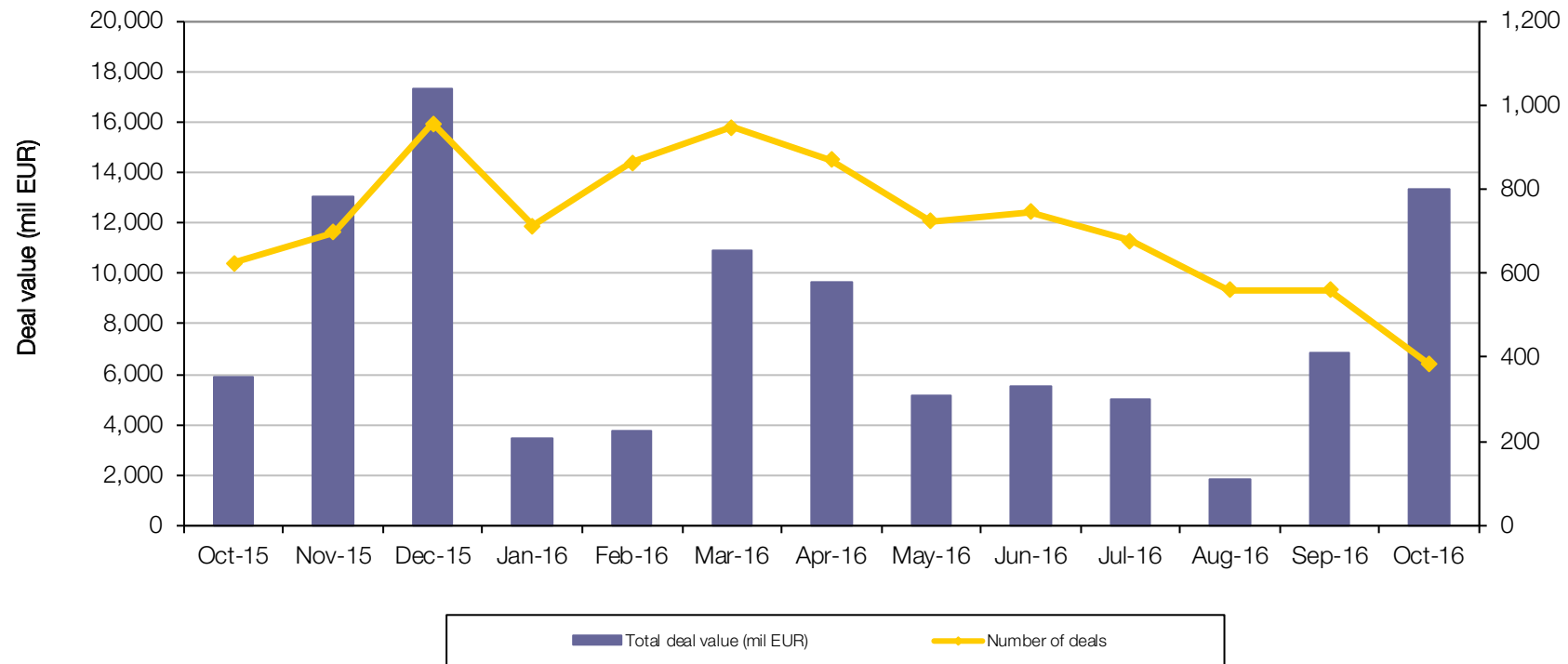
However, volume failed to reflect this growth as M&A fell to a new 12-month low of 384 deals, representing a 39 per cent decline year-on-year (October 2015: 625).

Volume was down by a third month-on-month (September 2016: 561) suggesting individual valuations were higher over the four weeks under review.

CEE deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Oct-16	384	13,337
Sep-16	561	6,855
Aug-16	561	1,808
Jul-16	678	4,983
Jun-16	746	5,555
May-16	723	5,125
Apr-16	869	9,680
Mar-16	947	10,888
Feb-16	864	3,775
Jan-16	712	3,432
Dec-15	955	17,313
Nov-15	698	13,059
Oct-15	625	5,888

CEE deals by volume and value





Russian deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Oct-16	101	9,222
Sep-16	183	4,992
Aug-16	120	1,277
Jul-16	136	2,643
Jun-16	186	3,997
May-16	166	2,076
Apr-16	148	5,086
Mar-16	166	7,660
Feb-16	159	2,753
Jan-16	81	1,353
Dec-15	255	12,455
Nov-15	156	9,105
Oct-15	165	3,870



Russian companies dominate the top 20 by value

Considering M&A featuring Russian companies accounted for 69 per cent of October's total EUR 13,337 million, it comes as no surprise that targets based in the country dominated the top 20 by value.

Russian companies accounted for three of the four deals each worth more than EUR 1,000 million signed off during the four weeks and the largest featured Neftyanaya Kompaniya Rosneft acquiring 50 per cent of Russian oil and natural gas producer Aktsionernaya Neftyanaya Kompaniya Bashneft for EUR 4,754 million.

An institutional buyout of Grupa Allegro of Poland by Cinven, Mid Europa Partners and Permira Advisers was the month's second-largest deal by value at EUR 2,943 million and it was one of five which featured an acquiror from outside the CEE region.

Unicredit of Italy acquired almost all of Ukrainian lender Ukrspotsbank for EUR 351 million while Radamant Financial of Switzerland took a majority stake in Bank Yugra via a capital increase worth EUR 318 million. Palladio Finanziaria-backed TCH Cogeme of Italy bought Slovenian car parts maker Cimos for EUR 110 million and South African packaging and paper group Mondi took over Bipak of Russia for EUR 41 million.

Russia leads by value, Poland by volume

Russian companies were once again the most valuable targets of M&A in October with EUR 9,222 million-worth of deals but were overtaken by Polish companies in terms of volume as dealmaking was stripped away at a rate of 44 per cent month-on-month to 101 deals (September 2016: 180), compared to a 9 per cent decline in M&A involving Polish companies (October 2016: 144; September 2016: 159).

The volume of M&A in companies based in all but five countries fell or remained level over the four weeks under review; targets in Hungary, Serbia, Croatia and Slovenia all bucked the trend, with volume advancing at a rate of 50 per cent for those based in Hungary and Slovenia, and by 29 per cent and 17 per cent for those in Serbia and Croatia, respectively.

An increase in the month-on-month value of M&A targeting companies based in Poland, the Ukraine, Romania and Slovakia, among others, came at the expense of those located in six countries, namely Czech Republic, Serbia, Lithuania, Montenegro, Bulgaria and Belarus.

Top 20 deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	Acquiror	Acquiror country	Deal status
1.	4,754	Acquisition 50%	Aktsionernaya Neftyanaya Kompaniya Bashneft PAO	RU	Neftyanaya Kompaniya Rosneft OAO	RU	Completed
2.	2,943	IBO 100%	Grupa Allegro Sp zoo	PL	Cinven Ltd; Mid Europa Partners LLP; Permira Advisers LLP	GB; GB; GB	Announced
3.	1,245	Capital Increase 85%	Evroplan PAO	RU			Announced
4.	1,085	Capital Increase 77%	VEB-Lizing AO	RU	Gosudarstvennaya Korporatsiya Bank Razvitiya i Vneshneekonomicheskoi Deyatelnosti (Vneshekonombank)	RU	Announced
5.	452	Capital Increase 59%	AvtoVAZ OAO	RU			Announced
6.	438	Minority stake 9%	Inter RAO EES PAO	RU			Completed
7.	351	Acquisition 31% to 99%	Ukrsotsbank PAT	UA	Unicredit SpA	IT	Completed
8.	318	Capital Increase 63%	Bank Yugra PAO	RU	Radamant Financial AG	CH	Announced
9.	276	Minority stake 8% to 18%	Gruppa Kompanii PIK PAO	RU	Bank VTB PAO	RU	Completed
10.	230	Capital Increase 36%	Mezhregionalnyi Kommercheskii Bank Razvitiya Svyazi i Informatiki PAO	RU			Announced
11.	116	Capital Increase 39%	Gosudarstvennyi Spetsializirovannyi Rossiiskii Eksportno-Importnyi Bank AO	RU	Rossiiskii Eksportnyi Tsentri AO	RU	Announced
12.	110	IBO 100%	Cimos dd	SI	TCH Cogeme	IT	Announced
13.	91	Minority stake 3%	OMV Petrom SA	RO			Completed
14.	70	Capital Increase 31%	Pochta Bank PAO	RU	Bank VTB 24 PAO; Pochtovye Finansy OOO	RU; RU	Completed
15.	61	Minority stake 2%	OMV Petrom SA	RO			Completed
16.	57	Capital Increase 82%	Oil Terminal SA	RO			Announced
17.	47	Minority stake 2%	Banca Transilvania SA	RO			Completed
18.	45	Acquisition 50%	Biznes Tsentr Parus	UA	Mr Vagif Aliev		Completed
19.	43	Capital Increase 17%	Tatfondbank PAO	RU			Announced
20.	41	Acquisition 100%	Bipak OOO	RU	Mondi Ltd	ZA	Announced

Top private equity deals by value

	Deal value (mil EUR)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status
1.	2,943	IBO 100%	Grupa Allegro Sp zoo	PL	Cinven Ltd; Mid Europa Partners LLP; Permira Advisers LLP	Announced
2.	110	IBO 100%	Cimos dd	SI	Palladio Finanziaria SpA	Announced
3.	28	IBO 76%	ETI Elektroelement dd	SI	Andlinger & Company Inc.	Announced
4.	22	Minority stake 29%	CD - Telematika AS	CZ	Unicapital AS	Completed
5.	6	Minority stake	Khilbi OOO	RU	Investitsionnaya Kompaniya Starta Kapital ZAO	Completed
6.	6	Minority stake	H88 SA	PL	3TS Capital Partners Oy	Completed
7.	4	Acquisition 52%	Veb Logistika OOO	RU	Amereus Group	Completed
8.	2	Minority stake	Funderbeam OU	EE	Thomson Reuters Corporation; IQ Capital Partners LLP; Draper Associates Inc.	Completed
9.	2	Minority stake	Vectary AS	SK	Neulogy AS; BY Capital Management GmbH	Completed
10.	1	Minority stake	Aktualnye Media Resheniya OOO	RU		Completed
11.	0	Minority stake 20%	Onlain Patent OOO	RU	Investitsionnaya Kompaniya Starta Kapital ZAO	Completed
12.	0	Minority stake	Getbetter!	RU	Guard Capital	Completed
13.	0	Minority stake 10%	Apifier SRO	CZ	Spread Capital SE; Incomming Ventures AS	Completed
14.	0	Minority stake	SiteSecure	RU	Avtonomnaya Nekommercheskaya Organizatsiya Agentstvo Strategicheskikh Initsiativ po Prodvizheniyu Novykh Proektov	Announced
15.	0	Minority stake	Hoversurf	RU	Investitsionnaya Kompaniya Starta Kapital ZAO	Completed
16.	0	Acquisition 50%	Mediatorship Insurance Group Sp zoo	PL	MBF Group SA	Completed
17.	0	Minority stake 42%	Deltoid Sp zoo	PL	MBF Group SA	Completed
18.	0	Minority stake 46%	Mediatorship Insurance Group Sp zoo	PL	MBF Group SA	Completed
19.	0	Minority stake 10%	Partnergram	RU		Completed
20.	0	Minority stake 10%	Proktor OOO	RU		Completed



PE and VC value boosted by Grupa Allegro deal

The value of private equity and venture capital (PE and VC) deals targeting companies based in CEE and Russia was supported by one blockbuster deal which accounted for 94 per cent of the month's EUR 3,125 million total.

While value was one of the highest recorded for the 12 months under review (December 2015: EUR 3,155 million; November 2015: EUR 5,397 million), a 30 per cent decline in volume brought an end to two consecutive months of growth (July 2016: 19; August 2016: 27; September 2016: 44).

Cinven, Mid Europa Partners and Permira Advisers accounted for the month's largest PE and VC deal by value after launching an EUR 2,973 million-institutional buyout for Polish online auction platform Grupa Allegro.

The only other PE and VC deal worth more than EUR 100 million in October involved Palladio Finanziaria acquiring Slovenian car parts maker Cimos for EUR 110 million. The month's third-largest deal was also an institutional buyout of a Slovenian company: Andlinger is taking a 76 per cent stake in ETI Elektroelement for EUR 28 million.

Investitsionnaya Kompaniya Starta Kapital and MBF Group each backed three of the top 20 PE and VC deals by value.

Private equity deals by volume and value

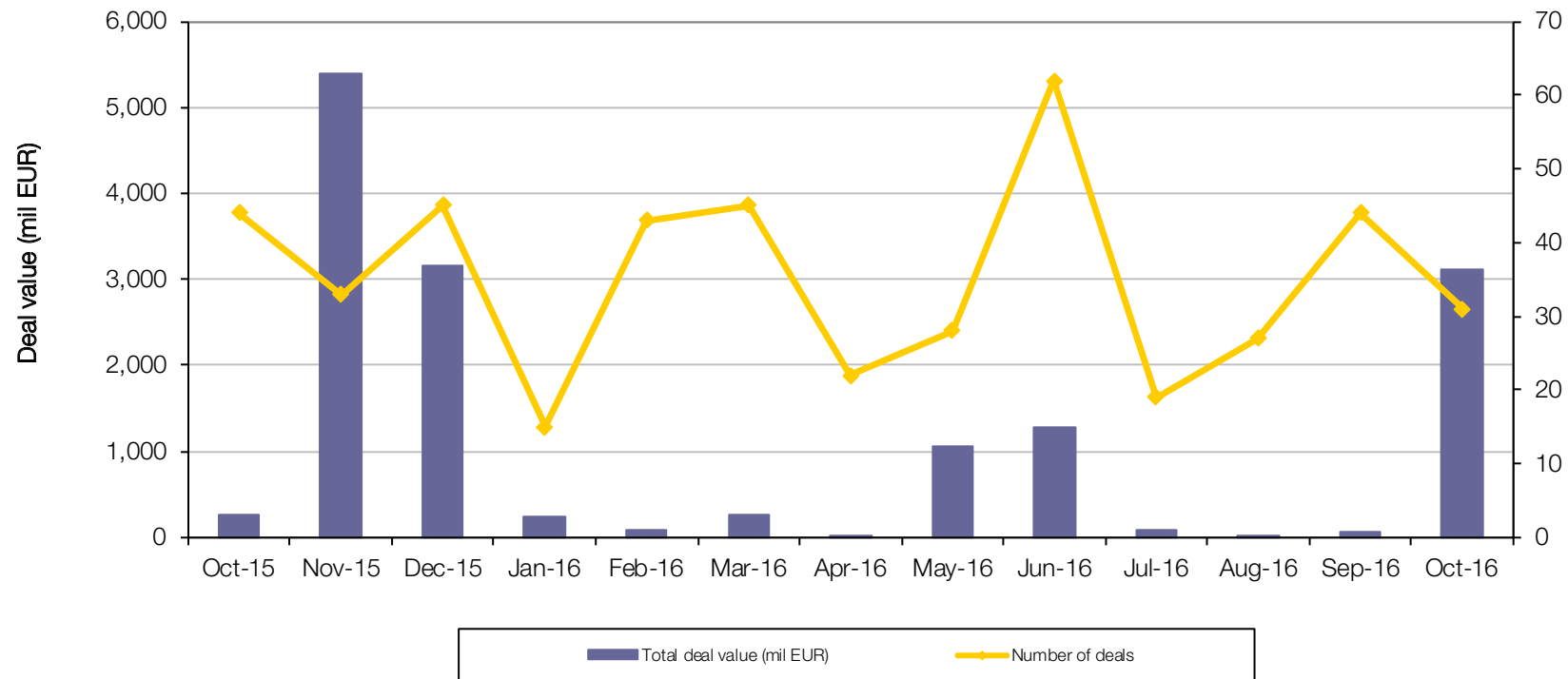
Announced date	No of deals	Total deal value (mil EUR)
Oct-16	31	3,125
Sep-16	44	74
Aug-16	27	31
Jul-16	19	90
Jun-16	62	1,282
May-16	28	1,054
Apr-16	22	5
Mar-16	45	266
Feb-16	43	94
Jan-16	15	246
Dec-15	45	3,155
Nov-15	33	5,397
Oct-15	44	264



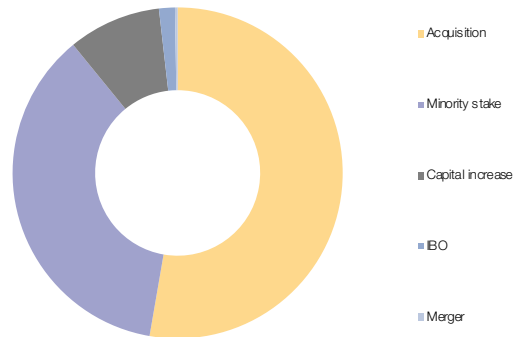
Russian private equity deals by volume and value

Announced date	No of deals	Total deal value (mil EUR)
Oct-16	15	12
Sep-16	35	2
Aug-16	11	1
Jul-16	8	7
Jun-16	45	657
May-16	8	4
Apr-16	8	2
Mar-16	13	18
Feb-16	27	74
Jan-16	5	0
Dec-15	24	1,090
Nov-15	17	5,341
Oct-15	25	78

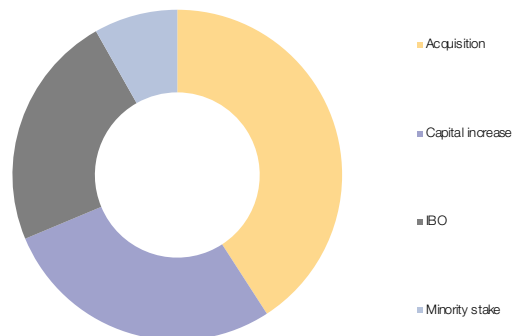
Private equity deals by volume and value in CEE



Deal types by volume in October



Deal types by value in October



Deal types by volume

Deal type	Oct-15	Sep-16	Oct-16
Acquisition	312	255	203
Minority stake	253	245	140
Capital increase	47	50	35
IBO	5	8	6
Merger	2	0	1

Deal types by value

Deal type	Oct-15 (mil EUR)	Sep-16 (mil EUR)	Oct-16 (mil EUR)
Acquisition	1,401	3,812	5,449
Capital increase	864	819	3,714
IBO	182	71	3,080
Minority stake	3,441	2,153	1,095



Target sector by volume

Target sector	Oct-15	Sep-16	Oct-16
Other services	224	178	110
Machinery, equipment, furniture, recycling	52	41	29
Banks	28	36	27
Construction	45	25	24
Wholesale & retail trade	65	50	21
Primary sector	23	18	17
Gas, water, electricity	27	25	17
Chemicals, rubber, plastics	27	29	17
Hotels & restaurants	10	13	13
Food, beverages, tobacco	18	25	7
Textiles, wearing apparel, leather	13	9	7
Insurance companies	10	9	7
Transport	20	10	7
Metals & metal products	14	10	7
Publishing, printing	19	10	5
Post and telecommunications	8	9	4
Education, health	7	8	3
Wood, cork, paper	8	7	3
Public administration and defence	0	0	0

Target sector by value

Target sector	Oct-15 (mil EUR)	Sep-16 (mil EUR)	Oct-16 (mil EUR)
Primary sector	2,352	79	4,936
Wholesale & retail trade	785	275	3,002
Other services	474	179	2,498
Banks	766	677	1,275
Machinery, equipment, furniture, recycling	601	328	601
Gas, water, electricity	22	290	458
Construction	109	2,828	298
Chemicals, rubber, plastics	29	1,013	74
Wood, cork, paper	17	0	44
Publishing, printing	10	33	27
Food, beverages, tobacco	411	127	25
Post and telecommunications	222	91	22
Hotels & restaurants	146	500	10
Transport	37	40	8
Textiles, wearing apparel, leather	4	6	4
Metals & metal products	10	382	4
Insurance companies	50	2	0
Education, health	0	2	0
Public administration and defence	0	0	0



Top countries by volume

Target country	Oct-15	Sep-16	Oct-16
Poland	194	159	144
Russia	163	180	101
Romania	19	47	29
Ukraine	40	40	28
Czech Republic	24	22	19
Latvia	30	28	14
Hungary	28	8	12
Serbia	19	7	9
Bosnia and Herzegovina	17	10	8
Croatia	7	6	7
Moldova	8	11	4
Slovenia	11	2	3
Slovakia	4	4	3
Estonia	16	8	3
Macedonia	0	0	0
Lithuania	3	6	0
Montenegro	1	2	0
Bulgaria	25	8	0
Belarus	18	15	0
Albania	0	0	0
Kosovo	0	0	0

Top countries by value

Target country	Oct-15 (mil EUR)	Sep-16 (mil EUR)	Oct-16 (mil EUR)
Russia	3,865	4,992	9,222
Poland	635	924	3,082
Ukraine	379	189	400
Romania	179	187	335
Slovenia	32	35	138
Slovakia	0	0	49
Hungary	258	11	39
Bosnia and Herzegovina	12	74	37
Czech Republic	221	398	22
Croatia	3	7	9
Serbia	9	4	3
Estonia	1	0	2
Moldova	0	0	0
Lithuania	220	23	0
Macedonia	0	0	0
Montenegro	12	2	0
Bulgaria	17	10	0
Albania	0	0	0
Belarus	2	6	0
Latvia	44	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 01/10/2016 - 26/10/2016 inclusive