

# M&A Index Poland

Q2 2021

Prepared by **Navigator Capital** & **FORDATA**

Experts' comments to the 40<sup>th</sup> edition of the report can be found on the website:

[fordatagroup.com/blog](https://fordatagroup.com/blog)

Total number of transactions\*

82 (Q2 2021)

The largest transaction\*\*

EUR 412 m

(Acquisition of Trinseo's rubber business  
by Synthos)

\* based on public data

\*\* among transactions with disclosed prices

## About the report:

The M&A Index Poland report is a position that has become a permanent fixture in the calendar of the industry summaries in Poland. The reports are prepared quarterly by a consulting firm **Navigator Capital** and **FORDATA**, a leader in the field of IT solutions which support M&A transactions.

These reports are created to monitor the dynamics of Polish M&A market and to demonstrate the most interesting transactions. We also monitor the frequency of use of the Virtual Data Room during M&A processes in Poland.

## Introduction

In Q2 2021, we witnessed **82** transactions on the Polish M&A market. This is 30 more than in Q2 2020. The largest transaction was **the acquisition of plastics player Trinseo by Polish chemical company Synthos**.

## Selected transactions

Target	Bidder	Seller	Value [EUR]
Wento Sp. z o.o.	Equinor	Enterprise Investors	Not disclosed

(5th May) Wento, a Polish portfolio company of the Enterprise Investors fund, which operates on the renewable energy market and specializes in photovoltaic projects, has been acquired by Equinor. The buyer is an energy company present in over 30 countries in the oil, gas, offshore wind and solar sectors. Wento has 1.6 GW of solar projects in various stages of development. The transaction was designed to strengthen and diversify Equinor's position in the Polish market, and Wento provides a good platform for the buyer to further develop its investment portfolio.

Target	Bidder	Seller	Value [EUR]
Sensilab	Wörwag Pharma	USP	Not disclosed

(5th May) Wörwag Pharma, a German family-owned pharmaceutical company, has acquired Sensilab, a Lodz-based contract manufacturer and provider of pharmaceutical development services that was part of the Polish USP Group. Ultimately, Sensilab is to become the Wörwag Group's competence center for oral dosage pharmaceutical forms. For the German company, the investment in Sensilab ensures access to facility and know-how in the field of pharmaceutical production. So far, the company has mainly invested in the development of new markets and products using contract manufacturing.

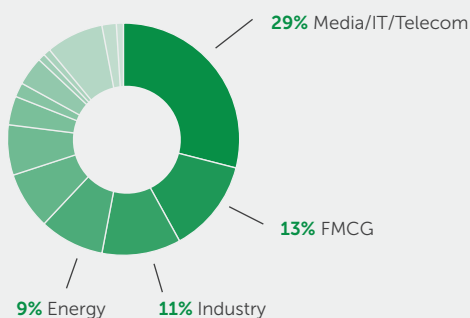
Target	Bidder	Seller	Value [EUR]
Buglo Play	Resource Partners	Private investor	Not disclosed

(6th May) Resource Partners Fund has acquired a majority stake in Buglo Play, a leading Polish manufacturer of playgrounds, present on both domestic and international markets. The company independently designs and manufactures modern playgrounds that meet stringent safety and quality standards. Buglo, being one of the leaders on the domestic market, is a platform for further expansion abroad, which will be supported by Resource Partners. The fund identified potential for growth in complementary categories such as outdoor fitness equipment and landscaping elements.

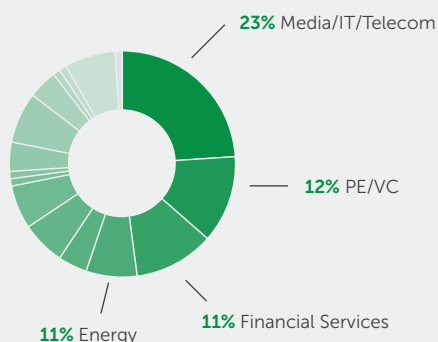
## By sector

Transactions with the participation of Polish companies grouped by sectors (by number of transactions)

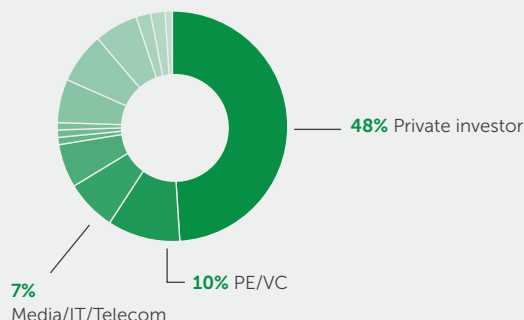
### TARGET (%)



### BIDDER (%)



### SELLER (%)



Target	Bidder	Seller	Value [EUR]
Edipresse Polska	Burda Media Polska	Edipresse Group	Not disclosed

(6th May) Burda Media Polska, part of the international technology and media company Burda International, will acquire the multimedia and digital portfolio of Edipresse Polska, publisher of magazines and websites for women. Edipresse's portfolio includes popular online services, such as Polki.pl, Wizaz.pl, Party.pl, Viva.pl, Mamotoja.pl, Niania.pl, Gotujmy.pl, as well as Viva and Party biweeklies. Through the transaction Burda Media is effectively continuing its multi-channel strategy, will accelerate its digital transformation and strengthen its consumer business in the domestic market, particularly in the lifestyle area.

Target	Bidder	Seller	Value [EUR]
Trinseo rubber business	Synthos	Trinseo	412 m

(21st May) Chemical conglomerate Synthos has acquired the synthetic rubber business from Trinseo, a global producer of plastics, latex binders and synthetic rubbers listed on the NYSE. The transaction, expected to close in 2022, is anticipated to strengthen Trinseo's balance sheet and provide greater growth flexibility. Synthos is a player strategically committed to the synthetic rubber industry, and the acquisition of manufacturing facilities including production infrastructure and R&D facilities in Schkopau, Germany, will allow the company to expand its portfolio to include advanced SSBR rubbers and better align with global trends and opportunities.

Target	Bidder	Seller	Merged market cap. [EUR]
PBKM	VITA34	PBKM's Shareholders	ca. 250 m

(31st May) Vita 34, the largest private stem cell bank in German-speaking countries, is planning a merger with WSE-listed PKBM. The transaction will be based on an exchange of PBKM shares for Vita34 shares in kind. The transaction is another step in PBKM's long-term strategy to create a leading European player in this field. The combined group will be listed on the Frankfurt Stock Exchange, so the higher capitalization of the combined entities may attract new financial investors from Europe and the US.

Target	Bidder	Seller	Value [EUR]
Dietly.pl	Żabka	MasterLifeSolutions	Not disclosed

(1st June) Dietly.pl, a national e-commerce platform operating in the diet catering segment, has been acquired by Żabka Group, a convenience store chain backed by the CVC Capital Partners private equity fund. Through Dietly.pl, customers can choose an offer from more than 400 diet catering providers, tailored to their individual needs. The acquisition is part of the Żabka Group's strategy to provide convenience solutions. It is another acquisition in this area, following the transaction of acquiring shares of Maczfit, that was announced in the first quarter of this year. The transaction was completed with the use of FORDATA system.

## Navigator Capital

- Navigator Capital along with Dom Maklerski Navigator (Navigator Brokerage House) is the leading independent financial adviser, specializing in mergers and acquisitions and public and private issues of stocks and bonds.
- During 12 years of its market presence, Navigator Capital Group conducted over 100 transactions, of over 6 billion PLN total value.
- Through cooperation with international network of advisory firms associated in the Pandion Partners, Navigator Capital effectively handles international transactions.

## FORDATA

- FORDATA is a pioneer on the Polish capital market. Based on Virtual Data Room technology, we support our clients in managing documents and communication during complex transactional processes.
- We support the largest M&A, IPO transactions, private equity investments, restructurings, projects associated with obtaining financing and privatizations in Poland and other countries of Central and Eastern Europe.
- FORDATA systems increased safety and efficiency of hundreds of different types of transactions with a total value of over PLN 35 billion
- FORDATA services are used by the industry leaders in Poland and abroad, including largest advisory companies, banks, legal advisors or Private Equity/Venture Capital funds, ie. Enterprise Investors, Enea SA, Home.pl, Grupa LOTOS, PZU SA, Grant Thornton, NFI Empik, ZELMER, Bank DNB, BOŚ Bank, Polimex Mostostal, Budimex, DM PKO Banku Polskiego, Deloitte Advisory, EY, KPMG Advisory, JSW, HAITONG and many others.



### Business Partners



### Authorised Adviser



## Contact

Artur Wilk, Manager  
e: [artur.wilk@navigatorcapital.pl](mailto:artur.wilk@navigatorcapital.pl)  
m: +48 881 700 119

Navigator Capital S.A.  
ul. Twarda 18, 00-105 Warsaw, Poland  
t: +48 22 630 83 33 f: +48 22 630 83 30  
e: [biuro@navigatorcapital.pl](mailto:biuro@navigatorcapital.pl) [navigatorcapital.pl/en](http://navigatorcapital.pl/en)

Dorota Wójtowicz New Business Manager  
e: [dorota.wojtowicz@fordata.pl](mailto:dorota.wojtowicz@fordata.pl)  
t: +48 881 547 888

FORDATA sp. z o.o.  
Taczaka 24, 61-819 Poznań, Poland  
m: +48 533 354 054 e: [office@fordatagroup.com](mailto:office@fordatagroup.com)  
[fordatagroup.com](http://fordatagroup.com)

Target	Bidder	Seller	Value [EUR]
<b>Bilfinger Rohrleitungsbau</b>	Erbud	Bilfinger	<b>Not disclosed</b>

(1st June) Erbud, a Polish construction group, has acquired Bilfinger Rohrleitungsbau, an industrial plant construction, maintenance and service company belonging to the Bilfinger Group. The company offers services in the field of construction and service of pipelines for the chemical and petrochemical industries. Erbud plans to reinforce the acquired entity in terms of capital, which will allow for the development of operations and increase of business profitability. The new acquisition will also strengthen Erbud's position on the German market and allow it to complement the group's offer with maintenance services.

Target	Bidder	Seller	Value [EUR]
<b>Idea Bank Romania</b>	Erbud	Bilfinger	<b>Not disclosed</b>

(3rd June) Idea Bank Romania, a subsidiary of the Polish Idea Bank, belonging to Getin Holding Group, will be taken over by Banca Transilvania, the largest Romanian financial group in terms of assets. The acquisition will include Idea Broker de Asigurare and Idea Bank Leasing. Idea Bank Romania provides services to individuals and small and medium-sized enterprises. For Banca Transilvania, the acquisition is part of its strategy to develop online banking.

At the beginning of Q2 2021, Getin Holding also announced the sale of all its shares in Idea Bank Belarus to Minsk Transit Bank for ca. PLN 75.7 million. The transaction was completed with the use of FORDATA system.

Target	Bidder	Seller	Value [EUR]
<b>Armir Group</b>	Frigo Logistics	Private investor	<b>Not disclosed</b>

(23rd June) Frigo Logistics, a logistics operator controlled by Japan's Nichirei Corporation, a frozen food group, has acquired Armir Group, a storage and transportation company. The acquisition will allow Frigo to expand the scale of its business in Poland and extend its ability to provide cross-docking storage services by four frozen warehouses owned by Armir.

Target	Bidder	Seller	Value [EUR]
<b>Edina Vetcare</b>	TDJ	Private investor	<b>Not disclosed</b>

(25th June) As part of its strategy to diversify investment portfolio, family investment company, TDJ, has invested in veterinary clinic chain Edina Vetcare Group. This is yet another transaction of the fund in line with the strategy, following the acquisition of Miya, a cosmetics producer, which took place in May this year. Edina operates over a dozen veterinary facilities in Poland's largest cities. TDJ and EVG intend to jointly consolidate the Polish veterinary market, with a goal of adding 200 veterinary clinics to its network.

## Experts' comments

The second quarter of 2021 showed that despite the 15-month restrictions in the economy, the dynamics of the mergers and acquisitions market in Poland increased significantly - in the past period we recorded as many as **82 M&A transactions**. This is the highest number in the history of the report, improving the high result from the previous quarter by 6 transactions. What was the M&A market like in this time rich in investments?

### Technology, media and telecom still on top

TMT entities accounted for almost one third (**29%**) of all targets in the second quarter. This is an increase by **13%** compared to the first quarter and **10%** compared to the corresponding quarter of 2020. Among the 24 acquired companies, half (12) were software development companies, and 1/3 (8) - e-commerce platforms. This result confirms the forecasts about the growing importance of digital and internet services, resulting from the opportunities that they provide to entrepreneurs today: process optimization, offer expansion, strengthening supply chains and reaching new customers, not only in the context of the pandemic. On the other hand, unlike in the first three months of the year, the bio / med sector was not on the second step of the podium among transaction targets, which was now limited to 6 deals (compared to 10 in Q1). The second most willingly acquired sector on the Polish market turned out to be the FMCG sector (**13%**) - 11 transactions compared to 8 in February, of which 6 were food companies. While the uncertainty on this market is still relatively high due to the pandemic threat, it mainly concerns retail chains - experts nevertheless forecast a **3%** growth in the food sector in 2021 and its clearer shift towards automation, localization and e-commerce. Among the acquired entities, the third, stable place in terms of the number of transactions was taken by industry - **11%** against 12% in the previous quarter.

### Reshuffle among buyers

Also on the buyers' side, in the last three months we noticed a smaller presence of the bio / med sector, which in Q1 2021 took over the most often - 6 acquisitions compared to 10. The TMT sector, which grew more than double, was the most active in the analyzed period - from 9% to **23%** in the reported quarter. Also on this side of transaction processes, companies developing software (8 acquisitions) and e-commerce platforms (5 acquisitions) were the most distinguished - so we are observing the consolidation of both of these industries. On the buyers' side, there were also PE / VC funds, which constituted **12%** of buyers (compared to 11%) and were parties to 10 transactions. The most active fund was Resource Partners, which made 4 acquisitions, and TDJ - 2 acquisitions. The analysis of the buyers' structure shows that at a similar level as in 2nd quarter, in the first quarter of 2020 (12% compared to **11%** in the current quarter), was placed the financial sector, which was a party to only 4 transactions in the previous quarter. What investments were financial companies on the Polish market engaged in in the second quarter of this year? Among the 9 M&A transactions, most processes concerned providers of other financial services (4), including the purchase of Risk Guard - an expert in risk assessment - by MJM Holdings. However, the market in the described quarter was diverse.



Dorota Wójtowicz

New Business Manager  
FORDATA



While in previous years there were mainly consolidations and investments in TMT, this time only one such company was among the targets - it was the purchase of the Grouper.mk online store by Asseco Payten. The remaining targets were companies from the energy, service and production sectors.

### Private sellers slightly out of breath

The analysis of the sellers' structure shows that private investors were - no surprise - parties in almost half (**48%**) of the transaction. Nevertheless, compared to the previous quarter, their market share decreased by **11%**. Sales transactions in this sector mostly concerned the TMT sector - 14 companies - and the FMCG sector - 8 companies. The remaining selling entities were dominated by PE / VC funds (**10%**), FMCG companies (**7%**), TMT and industry (**6%**) and the energy sector (**4%**). The local government made one sale transaction, also in the energy sector - Zgorzelec ZPEC passed into the hands of Szczecińska Energetyka Ciepna energy company, which set itself the goal of reliable and stable heat supply to the inhabitants of Zgorzelec. The transaction is of a cross-border nature due to the letter of intent signed in 2020 by the authorities of Goerlitz and Zgorzelec regarding the merger of the heating plants of both cities and plans to achieve zero emissions by 2030.

### Companies think more about cybersecurity

With the development of the pandemic, the interest of entrepreneurs in the subject of cybersecurity has increased, mainly due to the greater percentage of people working remotely, and thus - the increased risk of a hacker attack. It is also influenced by organizational challenges and increased circulation of online documentation between business partners and customers, forced by restrictions and changing trends. Digital tools ensuring information security are used more widely both in everyday activities and in strategic processes. In the reported quarter, **41% of M&A transactions used the Virtual Data Room** tool to carry out such a process.





Karol Szykowny

Director  
Navigator Capital

In the second quarter of 2021, **82 transactions** were recorded on the Polish Mergers and Acquisitions market, which is more by 30 than in the same period of 2020.

The largest transaction in terms of value in the last quarter was the acquisition of the rubber business of Trinseo, a global producer of plastics, latex binders, synthetic rubbers, generating approx.\$3 billion in turnover, by Synthos, a strategically engaged company in the industry, focused on expanding its offer with technologically advanced SSBR rubbers and better alignment with global trends and opportunities. The investor declares that the acquisition, as well as the merger in the area of technology and R&D, will help to take advantage of green mobility, circular economy, control and reduction of carbon emission. It is estimated that the acquired production plant in Schkopau will generate annual EBITDA of EUR 50-60 million. Additionally, strong synergies can be expected due to Synthos' strong market position. The transaction allowed Synthos to join the global leaders of the synthetic rubber industry.

It is impossible to omit that in the last quarter we have observed a record number of transactions in the Polish M&A market. Due to the low base effect resulting from the outbreak of the COVID-19 pandemic and the widespread restrictions that occurred in the second quarter of last year, there were as many as 30 more transactions this year. In the sectoral analysis of entities involved in completed transactions, the Media/IT/Telecom sector continues to lead the way. It accounted for 29% of all completed M&A processes in which strategic investors were the most frequent buyers. One of the significant acquisitions in this area was the acquisition of the Polish company Edipresse Polska by Burda Media Polska, which is part of the international technology and digital enterprise. Thanks to the transaction Burda will enrich its portfolio with magazines and numerous online portals for women, thus accelerating the digital transformation of the company and significantly strengthening its consumer activity on the domestic market, especially in the lifestyle area.

It's worth to mention high activity of Private Equity funds, who were responsible for **12%** of all transactions. Noteworthy in the PE sector is the activity of Resource Partners fund, which added four companies to its portfolio: Atlantic Products, 7Anna, Buglo Play and Deeper. The companies have great potential to scale their operations, and the fund declared its support in their foreign expansion. In the described quarter, Tar Heel Capital fund continued its strategy to consolidate the dental services sector, which could be observed in the previous periods, with Stomatologia Bez Bólu joining the group of companies managed by THC. Current market trends influence the investment strategy of TDJ, a fund whose specialty is industrial production. TDJ, as part of its portfolio diversification, acquired cosmetics company Miya and invested in Edina Vetcare, a chain of veterinary clinics.

The largest share in the number of acquired entities had the **TMT - 29%, FMCG - 13%** and **industry – 11%**. The most active buyers were **TMT's strategic investors - 23%, PE/VC – 12%**. The largest group among the selling companies were **private investors - 48%** and **PE/VC funds - 10%**.