

M&A Index Poland

2021 + 4Q 2021

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

Experts' comments to the 42nd edition of the report can be found on the website:

fordatagroup.com/blog

Total number of transactions*

328 (2021)

The largest transaction**

EUR 2,5 bn

(Acquisition of Aviva Poland by Allianz SE)

* 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 2021 we witnessed **328** transactions on the Polish M&A market. This is **99 more** than in 2020. The largest transaction was the **acquisition of a life insurance entity, Aviva Poland, by Allianz SE**, a German insurance company listed on the Frankfurt Stock Exchange.

Selected transactions

Target	Bidder	Seller	Value [EUR]
Aviva Polska	Allianz	Aviva Plc	2.5 bn

(28th January) Aviva Plc, the UK insurer, has sold all its shares in Aviva Polska to the German insurance company Allianz for approximately EUR 2.5 bn. Aviva will now focus on its key markets, i.e. the UK, Ireland and Canada, where it is the leader and has a strong growth potential. The company intends to use the increased capital for debt reduction, investment in long-term growth and returning excess capital to shareholders. Thanks to the transaction Allianz will become the second insurance company in Central and Eastern Europe, which means a successful pursuit of strategic increase of market share in the area.

Target	Bidder	Seller	Value [EUR]
Budimex Nieruchomości	Cornerstone Partners, Crestyl Real Estate	Budimex SA	335 m

(22nd February) Budimex SA, as a result of a review of strategic options conducted in 2020, decided to sell its subsidiary Budimex Nieruchomości. The entity, with assets valued at EUR 500m, became an acquisition target for Cornerstone Partners, a private equity fund established 20 years ago, and Czech developer Crestyl Real Estate, for whom it was the first transaction outside their home market. The acquirers decided to change the target's name to Spravia and began to work on expanding the business spectrum. Spravia's offer remains focused on residential estate, however it will include also rental flats and premium flats.

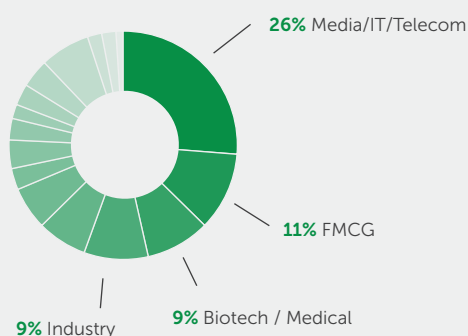
Target	Bidder	Seller	Value [EUR]
Polkomtel Infrastruktura	Cellnex Telecom	Cyfrowy Polsat	1.52

(26th February) Cellnex Telecom, the leading European wireless telecommunications infrastructure operator based in Barcelona, has entered into a conditional agreement with the Cyfrowy Polsat Group, pursuant to which it will acquire 99.99% of the shares in Polkomtel Infrastruktura, which is part of the Group. The target of the acquisition has a rich portfolio of both passive (7,000 locations) and active (37,000 radio carriers) telecommunications infrastructure in Poland. The transaction was worth PLN 7.1 billion, making it the second largest M&A deal on the Polish market in 2021. Cellnex and Cyfrowy Polsat made an agreement, allowing the Group to use the sold infrastructure for 25 years. The agreement may be extended in the future for periods of 15 years. Last year also the transaction announced in October 2020 was completed, under which Cellnex acquired 60% of the shares in the company managing the telecommunications masts of the Play network from Iliad for EUR 0.8 billion.

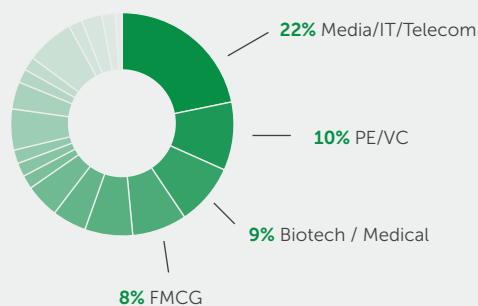
By sector

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

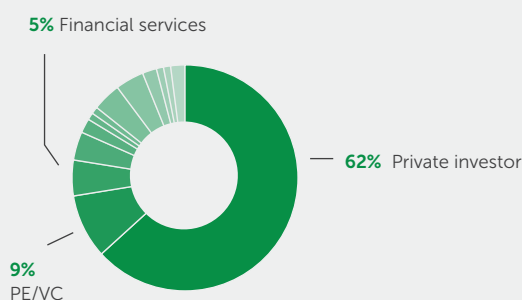
TARGET (%)



BIDDER (%)



SELLER (%)



Target	Bidder	Seller	Value [EUR]
Ambassador92	Orkla	Private Investor	Undisclosed

(2nd March) Orkla, Norwegian supplier of branded consumer goods to grocery stores and bakeries, has acquired Ambassador92, Polish seller and distributor of bakery and confectionery products. Ambassador92 employs 128 people and generates sales at EUR 30.7 m as of 2020. Transaction is to enforce Orkla's position on the Polish market and to enlarge access to the developing Out of Home market. The transaction was carried out using the FORDATA Virtual Data Room.

Target	Bidder	Seller	Value [EUR]
Mondial Relay	InPost	Private investor	513m

(15th March) InPost has informed the public of the acquisition of Mondial Relay, the second largest e-commerce parcel distribution platform on the French market. The transaction value amounted for EUR 513 million. In 2020, Mondial Relay generated EBITDA of EUR 60 million and EUR 437 million revenue. The acquisition made inPost, which has been listed on the Amsterdam Stock Exchange since January 2021, the largest e-commerce delivery platform in Europe, granting it also with the appearance in the attractive French, Spanish and Belgian markets where it had not operated previously.

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

(21st May) The NYSE-listed leading global plastics producer Trinseo has decided to sell its synthetic rubber business. The buyer of the assets was Synthos, a chemical conglomerate controlled by M. Solowow. Trinseo's motivation to complete the transaction was to strengthen its balance sheet and obtain more flexibility in the process of choosing the development paths in other areas of activity, while Synthos gained access to a new, higher-margin market as well as increased production capacity and R&D facilities in Schkopau, Germany. The transaction required approval from the European Commission, which was obtained on 21 October.

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

(1st June) Dietly.pl, a national e-commerce platform operating in the diet catering segment, has been acquired by Zabka 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 Zabka 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 carried out using the FORDATA VDR system.

Target	Bidder	Seller	Value [EUR]
Idea Bank Romania	Banca Transilvania	Getin Holding	42 m

(3rd June) Idea Bank Romania, a subsidiary of the Polish Idea Bank, belonging to Getin Holding Group, was 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 carried out using the FORDATA VDR system.

Target	Bidder	Seller	Value [EUR]
Edina Vetcare	TDJ	Private investor	Not disclosed

(25th June) Family investment firm TDJ has announced that it has invested in Edina Vetcare Group, a company managing network of veterinary clinics. This was one of the three transactions completed by TDJ last year, in line with its strategy to further increase the diversification of entities in which TDJ has capital exposure. The target of the acquisition process owns over a dozen veterinary clinics providing services in major Polish cities. Edina Vetcare plans to increase the number of controlled clinics dynamically to 200 across all the country, thanks to the support of the investor. The veterinary care market is currently attracting significant interest from institutional investors and apart from TDJ-backed Edina Vetcare Group, also Luxvet24, backed by private equity fund Oaktree, has plans to consolidate it.

Target	Bidder	Seller	Value [EUR]
Rortos	Ten Square Games	Private investor	45 m

(1st July) Ten Square Games, a mobile games developer listed on the Warsaw Stock Exchange, has acquired Italy's Rortos for EUR 45 million, 9.8x normalised EBITDA of the acquisition target. The transaction is connected with the long-term development strategy of the developer known for Fishing Clash and Hunting Clash, which, apart from organic growth manifested by the opening of studios in Berlin and Bucharest, also assumes growth through acquisitions. Rortos can be considered a valuable asset in TSG's portfolio as it is a global leader in the flight simulator segment of the mobile market with an experienced team and know-how.

Target	Bidder	Seller	Value [EUR]
FreshMail	Vercom	Private Investor	6.05 m

(6th July) FreshMail, a company focused on e-mail marketing, has become the target of an acquisition by Vercom, a company creating communication platforms in the cloud (CPaaS - Communication Platform-as-a-Service), which acquired 100% of shares. The acquisition relates to the company's long-term development strategy and was financed with the capital raised during the initial public offering (IPO) worth PLN 180 m, which took place in May. The final value of the transaction still may be a subject to change, as the agreement provides for an increase in the amount paid by the buyer by up to PLN 2m whether FreshMail achieves certain milestones by the end of 2022. Vercom identifies both revenue and cost synergies resulting from the transaction and the acquisition of around 6,500 customers due to cross-selling opportunities.

Target	Bidder	Seller	Value [EUR]
Shoplo	Shoper	SumUp	3.8 m

(18th August) Shoper, a FinTech company with 15 years of experience offering software for the e-commerce industry, has acquired a 100% stake in Shoplo, a Polish startup that allows people to quickly start selling online. The transaction was worth EUR 3.8m. Shoplo is the third most popular provider of software for online shops, providing services to SME's in SaaS model on the Polish market. Thanks to the acquisition, Shoper has increased its customer base by nearly 5,000, moving closer to the ambitious milestone of 50,000 customers by 2026. The vision of the company's development is very appreciated by investors, which is reflected in the success of Shopper's IPO, during which 7.7 million shares worth approximately PLN 363 million were placed on the market and the reduction rate for individual investors was as high as 92.5%.

Target	Bidder	Seller	Value [EUR]
Costa Express	Coca-Cola HBC (Poland&Baltics)	Costa Coffee Polska	Not disclosed

(25th August) Expanding its offer in the hot drinks segment on the Polish market, Coca-Cola HBC acquired the Costa Express brand, which is directed primarily to the HoReCa segment and offices. Thanks to the acquisition, the American giant will be able to offer Polish customers a product prepared in barista quality on the still growing coffee consumer market in the country. According to representatives of both companies, this transaction is a good example of a partnership, in which Costa Coffee's expert knowledge complements Coca-Cola HBC's experience in introducing and developing beverage products on the Polish market. The transaction was carried out using the FORDATA VDR system.

Target	Bidder	Seller	Value [EUR]
PAD-RES	JV Kajima Europe & Griffin Real Estate	Private investor	Not disclosed

(14th September) PAD-RES, a leading Polish developer focused on renewable energy, became a takeover target from the Joint Venture formed by Kajima Europe and Griffin Real Estate. The transaction of undisclosed value involved a 72% stake in the company. The buyers plan to continue the dynamic growth of the entity, which has been in existence for 11 years, focusing on investments in solar and wind power projects with a capacity of over 500MW. The Joint Venture will provide financing for the platform, enabling the development of the current PAD-RES portfolio, acquisition of new projects as well as greenfield investments. The founder of PAD-RES will remain in the company as a minority shareholder, still holding the position of CEO.

Target	Bidder	Seller	Value [EUR]
UPC Polska	Play Communications	Liberty Global	1 525 m

(22nd September) Play Communications, a telecommunications network operator that is part of Iliad Group, announced the success of negotiations regarding the acquisition of UPC Polska, an entity offering access to television, the Internet and mobile telephony. The transaction, completed at a multiplier of 9.3x EBITDAaL, will be finalized after obtaining the regulatory approval of the European Commission. Thanks to the acquisition, Play Communications will increase its user base to 17 million people, and will also accelerate the investment in fiber-optic networks process.

Target	Bidder	Seller	Value [EUR]
CEDC International	Maspex Wadowice Group	Russian Standard Corporation	857 m

(2nd November) Maspex, a Polish group operating in the food industry, has signed a conditional agreement with alcohol group Roust Corporation. The agreement covers the acquisition of Roust's subsidiary CEDC. The deal will make Maspex the market leader on the Polish vodka market and expand its product portfolio to include such brands as Zubrowka, Soplica, Absolwent and Bols. The transaction will also create the largest Polish food group with a turnover in excess of PLN 11 billion. If Maspex obtains approval from the UOKiK, this will be the 20th acquisition within the group. Previous acquisitions include Sequoia, Rio Bucovina, part of Agros-Nova business and Litex Juice.

Target	Bidder	Seller	Value [EUR]
Mall Group, WE DO CZ	Allegro	PPF, EC Investments, Rockaway Capital	880 m

(5th November) Allegro, the Polish e-commerce group, has acquired Mall Group, the leading e-commerce platform in Central and Eastern Europe, and WE|DO, the Czech logistics company, from the selling shareholders of PPF, EC Investments and Rockaway Capital. The planned acquisition will strengthen the companies' status as the leading platform for customers and sellers in CEE. Through the merger, customers will be able to list items for sale that will be offered to potential buyers in more countries. The acquired business comprises Mall Group's e-commerce assets and WE|DO's logistics assets, operating in the Czech Republic, Slovakia, Hungary, Slovenia, Croatia and Poland. The acquisition will bring together a number of popular brands such as Mall, mimovrste, czc.cz, WE|DO, Allegro, Ceneo, eBilet and One. Customers will be able to enjoy benefits already implemented in the Allegro infrastructure and loyalty privileges. The transaction is subject to antitrust and regulatory approvals and is expected to close in mid-2022.

Target	Bidder	Seller	Value [EUR]
SALESmanago	Perwyn/SilverTree Equity	Inwestor prywatny	>100 m

(30th November) Krakow-based marketing technology company SALESmanago will be acquired by private equity funds Perwyn and SilverTree Equity. The company's portfolio includes over 2.5 thousand clients from various sectors and employs over 300 highly qualified marketing and IT specialists. The investment will fuel the company's international expansion and support its objective to become the leading European SaaS platform for marketing automation and customer data focused on the mid e-commerce market. The company is growing rapidly with global giants such as BMW, Burger King and Starbucks as its customers.

Target	Bidder	Seller	Value [EUR]
Norlys	Avallon	Private investor	Not disclosed

(15th December) Polish private equity investor Avallon has acquired a 75% stake in Norwegian outdoor lighting manufacturer Norlys, with a production facility in Nowy Sącz that employs approximately 300 people. The acquisition includes the factory and distribution companies in Norway, Sweden and France. Norlys is a company with over 60 years of experience in manufacturing premium outdoor lighting suitable for harsh weather conditions. Its products are sold in many countries. The fund assumes that in a few years the company will become an attractive investment target for large industry players.

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 15 years of its market presence, Navigator Capital Group conducted over 100 transactions, of over 15 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

t: +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 navigatorcapital.pl/en

Marcin Rajewicz Account Manager,

e: marcin.rajewicz@fordata.pl

t: +48 533 354 054

FORDATA sp. z o.o.

Taczaka 24, 61-819 Poznań, Poland

m: +48 533 354 054 e: office@fordatagroup.com

fordatagroup.com

Target	Bidder	Seller	Value [EUR]
Robyg	TAG Immobilien	Goldman Sachs Asset Management	~ 550 m

(23rd December) German real estate company, TAG Immobilien, has acquired Poland's largest residential developer, Robyg. The seller was Bricks Acquisitions Limited, controlled by one of the world's leading investment managers Goldman Sachs Asset Management. Through the acquisition, TAG would like to accelerate its growth path and become a leading residential developer in Poland. Combined with Vantage Development, which was acquired two years ago, TAG will accelerate the construction of the largest portfolio of rental housing market in major Polish cities, comprising over 20,000 units to be completed by 2028. The acquisition should be completed in the first quarter of 2022, subject to approval by the antitrust authority.

Target	Bidder	Seller	Value [EUR]
Edison Energia	Polenergia	Private investor	16.5 m

(31st December) Edison Energia, a company that installs residential photovoltaic systems, has been acquired by Polenergia, a vertically integrated energy group based in Poland. The merger will allow Polenergia to significantly increase its PV market share and strengthen its position as a transformer of the Polish energy industry towards a zero-carbon economy. For the buyer, the acquisition will strengthen its nationwide sales network, enlarge its customer base and expand its portfolio of innovative products and services. The investment is in line with Polenergia's vision of creating value for stakeholders and will also enable customer participation in technological progress.

Experts' comments

The total number of mergers and acquisitions in 2021 increased by almost a hundred compared to the previous year, also a record-high. **328 recorded acquisitions versus 229 a year ago** is an exceptionally good result, although a plentiful transaction volume was not unexpected. This result was largely influenced by the extremely dynamic end of the year and further strengthening of the TMT industry. What was the sectoral structure of the M&A market in the twelve months under analysis?

Even more technology

Even despite such a large increase in the total number of transactions, the TMT sector managed to significantly improve the last year's result on the side of the acquired entities - from **22%** to **26%**. This is an increase from **52** to as many as **85** completed M&A projects. This trend reflects the enormous importance of the adoption of digital technologies as one of the best ways to optimize processes in enterprises: relatively easy to integrate and highly scalable. At a time when one of the main factors hampering the growth of the IT sector today is the shrinking resources of specialists, the M&A process is also a way to provide companies with an influx of new talent. Among the most interesting transactions of 2020 we observed in this sector were, among others, the acquisition of 100% of Freshmail shares for over **EUR 6 million** by Vercom, the developer of CPaaS platforms, which will allow the buyer to increase the customer base and benefit from synergies. In turn, the Norwegian provider of Managed Mobility Services, Techstep, took over Famoc, a Polish provider of mobile services, for over **EUR 10 million**, which will translate into a mutual extension of the offer and will enable both companies to reach new markets.

Growth of the Bio/Med sector

Last year, the presence of the biotechnology and healthcare sector on the side of the transaction goals was more visible - from **19 acquisitions in 2020** to **30 in the analyzed one**, as well as on buyers' - from **14** to as many as **29**. A large share - 7 transactions - was taken by Medicover, which in 2021 took over mainly the fitness chains: Fit Forma, Quan Fit and Fitarena. The medical industry is currently subject to two main trends: on the one hand, it is a consolidation that allows improving the market position and increasing the customer base within the main activity, and on the other hand, expanding the offer with new services and securing a technological base. Interestingly, last year we did not observe any acquisitions aimed at developing digital services and e-commerce in the Life Science industry. Apart from TMT, it is still the domain of the financial, service and production sectors.

Leverage through e-commerce

Not only due to the pandemic, but also the changing behaviour of customers who are more and more willing to choose online shopping, the demand for e-commerce platforms is growing, which also translates to greater activity on the mergers and acquisitions market. In 2021, over **31%** of all acquired TMT companies were e-commerce solutions, which is an increase of over **80%** compared to **2020 (17% e-commerce)**. In turn, the transactions themselves were almost three times more - an increase from



Marcin Rajewicz

Account Manager at FORDATA
Real Estate expert

9 in 2020 to 27 in 2021. Those interested in buying such solutions were - apart from TMT sector companies, for which the expansion of the customer base and acquiring IT specialists are of particular value in this type of acquisitions - service and production companies (5 acquisitions), financial companies (4 acquisitions) and PE / VC funds (3 acquisitions).

VDR - the choice of the real estate industry

We estimate that in the analyzed period the use of the **Virtual Data Room** system on the M&A market was **approx. 45%**. Importantly, information security in the Real Estate industry in 2021 was important not only for the commercial real estate segment, but also - to an unprecedented extent - for the residential segment. Thanks to VDR, developers have the ability to exercise greater control over the flow of documentation, which contributes to faster project implementation. The housing market grew dynamically last year. It is worth mentioning that due to high prices, the share of institutional entities with more capital will become more and more visible among buyers.

4Q 2021 - record-breaking, like the whole year

102 M&A transactions in the last quarter of 2021 is a historic result for Polish M&A. This is an increase by 36 acquisitions compared to the third quarter of 2021 and by 41 in the year-on-year statement. The share of the TMT sector - the leader among the acquired entities - decreased from 30% to 27% y-o-y, however, it is still 8 transactions more than last year (20 acquisitions in Q4 2020) and 7 than in the previous quarter. Also among buyers, **TMT** companies were the most active in the quarter, with as many as **25 transactions** - **12 more** than in the previous year. However, the number of acquisitions made by **PE / VC funds** decreased by half - from **17 to 8** compared to the same quarter of 2020.



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Karol Szykowny

Director
Navigator Capital

Either the fourth quarter or the entire year 2021 was associated with a significant increase in companies' activity on the M&A market. During the past year, as many as **328 transactions** were recorded, which is an unquestionable record result - since the publication of the M&A Index Poland Report, the highest number of acquisitions during the calendar year so far was **229 in 2020**.

This means an increase by as much as **43% y/y**. Such a great result was possible to achieve mainly thanks to the activity in the fourth quarter, when the public was informed about **102 transactions** (an increase of **62% y/y**). The **Media/IT/Telecom** sector was the most popular in Q4 (**27%**). Entities from the **FMCG (12%)** and **Energy (10%)** sectors were also on the podium among those which most attracted investor's attention. Investors from the **Media/IT/Telecom (25%)**, **FMCG (10%)** and **PE/VC funds (8%)** were the most frequent buyers.

Despite the fact that the boom on the M&A market in Poland was observed especially in the last months of the year, the transaction with the highest value was realized already in the first quarter. British insurance group Aviva gained **EUR 2.5 billion** from the sale of shares in Aviva Polska, acquired by Allianz. The funds obtained were to be used for the reduction of the group's debt and development on the British, Irish and Canadian markets, where Aviva has a dominant position. The acquisition made Allianz the second largest insurer in the rapidly growing CEE region. In addition, investors witnessed two more transactions worth more than €1 billion, both in the telecommunications sector. In February the Spanish Cellnex acquired Polkomtel Infrastruktura, and in September UPC became an acquisition target for Play Communications, the protagonist of the biggest deal of last year. Both Polkomtel Infrastruktura and UPC were valued at close to 1.5 billion EUR.

The record number of mergers and acquisitions is a consequence of the continuing boom on the M&A market, observed both in Poland and other countries. For most of the year we experienced growing inflation, with central banks keeping interest rates low. This encouraged companies to make investments using low financing costs. Some entities took advantage of these circumstances to perform horizontal or vertical integration in order to optimize rising costs.

As in previous periods, **private investors** dominated the sellers, accounting for approx. **3/5** of all transactions. The significant share of this group in the total number of completed M&A processes cannot come as a surprise, as after three decades since the beginning of capitalism in Poland many investors are struggling with the problem of succession, and the current market environment, due to emerging new variants of the coronavirus and restrictions, should be considered turbulent, which encourages investors to sell the developed company instead of operating in conditions of increased uncertainty. **Private Equity** and **Venture Capital funds** were the sellers in **every tenth transaction** carried out on the Polish market last year. **Institutional investors** were much more active as buyers, accounting for **19%** of all acquisitions.

Over the past four quarters **IT companies** have enjoyed by far the greatest success. They were the acquisition targets in as many as **26%** of cases. The next most dominant sectors were **FMCG - 11%** of transactions, **industry - 9%** and **biotechnology/healthcare - 9%**. The sellers were dominated by **private sellers - 62%** and **PE/VC - 9%**.