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## Navigator Capital and FORDATA:

### In Q2 2022, 89 mergers and acquisitions were carried out in Poland

**The M&A Index Poland report prepared by FORDATA and Navigator Capital shows that in the second quarter of 2022, 89 mergers and acquisitions were carried out on the Polish market. In terms of sectors, the Media/IT/Telecom (22%), Other Services (11%) and Industry (10%) dominated.**

The transaction with the highest value of all M&A transactions with a disclosed value announced in the second quarter of 2022 was the sale of 50% of shares in FiberForce for EUR 379 million by Play Communications to Infravia Capital Partners. This transaction is closely related to the EUR 1.52 billion purchase of UPC Polska carried out a year ago, as these assets were part of the above-mentioned transaction. FiberForce operates on the fiber optic market, providing internet to approximately 3.7 million households, and in the coming years has the ambition to expand its network by another 2 million connections. The CEO of Play, Jean Marc Harion, declares that its infrastructure will be made available to other operators in an open and non-discriminatory access model. The long-term goal of the company is to consolidate the position of a nationwide leader in the field of network infrastructure.

*"The last quarter on the mergers and acquisitions market was extremely interesting due to the geopolitical situation, which largely affected the Polish economy. The war in Ukraine caused a flood of disinvestments by many European companies from the Russian market, which was also the case with Polish companies operating on this market, including Cersanit and CCC. Geopolitical tension as well as rising inflation are factors having a strong impact on the level of valuations, which is clearly visible in the case of companies listed on the Warsaw Stock Exchange. We predict that the expected downturn may strengthen the observed consolidation trends, in particular among highly fragmented industries, where the smallest players will not be able to maintain their current position"* - **comments Karol Szykowny, Director at Navigator Capital Group.**

The Media/IT/Telecom sector has traditionally been distinguished by the largest number of completed acquisition processes. Vercom acquired a 65% stake in MailerLite for approximately EUR 84 million, using the funds raised in the IPO and increased its customer base to 57k users. This transaction also gives the company the opportunity to expand into the markets of North America and Western Europe. Softgarden, based in Berlin, was acquired by Grupa Pracuj for EUR 118 million. Asseco South Eastern Europe, which is listed on the Warsaw Stock Exchange, strengthened its position in the South Eastern Europe region. The goal of the company's acquisition was 50% of Bithat, a Romanian company specializing in the automation and archiving of documents and digitized data. Private investors were invariably dominant among the selling entities. However, their share in the number of completed transactions - 56% - can be considered clearly lower than in the previous periods.

*The second quarter of this year, to the surprise of observers, abounded in transactions on the M&A market in Poland. There were 7 more of them compared to last year's values. TMT is still the most popular sector among investors. It is hard to suppose that this trend will change in the coming months due to the constantly increasing spending on digitization on the part of enterprises, as well as the relatively good mood in this industry - Digi Index 2022 (a "PMI for the digital industry") increased this year by 0.6 points (from 1.8 to 2.4 points). Despite the strong impact of inflation on the prices of products, especially foodstuffs, the consumer industry also recorded more transactions, accounting for approximately 11% of all acquisitions in the market. An interesting phenomenon was also the decrease in activity on the part of PE funds in the second quarter. There are many indications that PE entities have assumed the role of "observers" of the market and will soon begin their activities. In the face of a potential economic downturn, falling valuations of companies may turn out to be a bargain for holders of liquid capital on the part of PE. It is worth noting that the growing cost of obtaining financing may constitute a significant limitation for corporate investors" - comments **Marcin Rajewicz, Account Manager at FORDATA.***

The largest group of sellers in the second quarter of 2022 were private investors, who were responsible for 56% of all transactions. On the purchasing side, entities from the TMT sector were the most active - 16%, followed by biotechnology and healthcare companies - 11%, as well as companies from the industry sector - 8%.

Comprehensive information summarizing the activity on the Polish M&A market in the second quarter of 2022 can be found in **the M&A Index 2Q 2022 Poland report** prepared jointly by Navigator Capital and FORDATA.

All reports are available [at the link.](#)

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