

Deal Flow: Poland 2012 – Poland’s M&A scene surpasses its youth stage

WARSAW, 20 August 2012 – In the short- to mid-term, stable, domestic demand-driven GDP growth, along with the Polish government’s on-going privatisation programme, is likely to sustain the elevated level of interest from global financial and strategic players seeking quality targets with a combination of high growth potential and reasonable valuations. *Deal Flow: Poland 2012* provides an in-depth look at Poland’s emergent deal-making environment, with a cross-section of this year’s M&A, private equity and IPO activity.

What started out strong in 2011...

With the year’s overall buyout activity totalling over €16 billion, Poland captured 20% and 4% of deal values in CEE and Europe respectively. The string of landmark transactions announced in 2011 included the €4.5 billion acquisition of telecom operator Polkomtel S.A. by Polish media mogul Solorz-Żak, Banco Santander’s €4.3 billion acquisition of Poland’s third largest bank – BZ WBK S.A., and the takeover of broadcaster and pay-TV provider TVN S.A. by Canal+.

... is set to continue in 2012

Poland’s M&A and private equity deal-making lost no pace over the first six months of 2012. Indeed, the year’s first quarter saw a number of high-profile deals already announced, primarily in the financial services sector. At the end of February, Banco Santander again made headlines with the announcement of a €5 billion merger (combined entity pro forma enterprise value) between its recently acquired BZ WBK and KBC-controlled Kredyt Bank S.A. The Belgian institution also divested its Polish insurance unit, Warta S.A., to Germany’s Talanx International AG for €770 million. A month earlier Talanx and Japan’s Meiji Yasuda had picked up another insurance provider, TU Europa, from Getin Holding for €336 million, in effect creating the second largest insurance group in Poland.

Deals in the pipeline

Mid-way through 2012, M&A deal flow continues to centre on financial institutions, telecoms and energy assets, with banks and insurers continuing to draw the most interest from global suitors. Retail and healthcare assets are also high on dealmakers’ agendas. – *Multiple mega buyout funds as well as top-tier financial players including BNP Paribas and Sberbank are all said to be eyeing Polish acquisition targets – says Mateusz Wodziński, Managing Director, Exen.*

Poland – 2011 highlights

- The total value of all announced M&A transactions topped €16 billion, a 79% increase y/y
- Private equity deal value reached €1.2 billion, representing 35% of all CEE PE activity*
- Europe’s largest LBO since 2008 – Polkomtel S.A. at €4.5 billion
- Fourth largest IPO in Europe – JSW S.A., with €1.4 billion raised
- Poland’s largest ever private equity buyout – TP EmiTel Sp. z o.o. at €425 million
- The five largest privatisations raised over €2.7 billion out of a €3.2 billion total for the year

Key acquisition drivers moving forward

In the short- to mid-term, stable, domestic demand-driven GDP growth, along with the Polish government’s on-going privatisation programme, is likely to sustain the elevated level of interest from global financial and strategic players seeking quality targets with a combination of high growth potential and reasonable valuations.

Other features of Deal Flow: Poland 2012:

- *Looming euro zone crisis and Poland’s response*
- *M&A and private equity activity drivers*

- *Top transactions in Poland - 2011*
- *Deal pipeline*
- *IPO pipeline*

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