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Maintaining momentum

Private Equity Confidence Survey

Central Europe

Summer 2018

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Introduction

The Central European (CE) private equity (PE) market continues its strong run, with continued investments, exits, and fundraising news reported by deal doers. A growing regional economy, continued liquid leverage markets and high number of owner-managed business ripe for backing have all created the ongoing backdrop conducive to PE deal doing. The latest Deloitte Central Europe Private Equity Confidence Index backs this up.

The region's sponsors delivered a high number of lucrative exits in 2016 and 2017, and this year sees that momentum maintained. The hat-trick of large CE retail exits – Zabka, Profi, Dino – put CE on the map for investors in the last 18 months; now it is technology making headlines: in May, CVC floated Czech cybersecurity firm Avast in a \$3.23bn listing, marking the largest-ever tech IPO on the London Stock Exchange. It's the second time in under 18 months Czech tech has made headlines: in January 2017 global tech giant Oracle bought Czech start-up Apiary from Credo Ventures.

Such exits have fed investors with handsome distributions which have, in turn, whetted appetite for more, with a number of successful fundraisings underway. The task is arduous, not least because of competition from other PE houses globally, however the region's GPs are getting investors over the line: last September saw Abris Capital announce a €500m

close for its latest vehicle and Enterprise Investors reach €498m for its new fund. Since then, Innova held a €194m first close in April 2018, putting it well on its way to its €325m hard cap for its sixth fund; the China-CEE fund held a first close in February 2018 on \$800m for its \$1bn vehicle; Value4Capital announced an €80m first close in January 2018 for its €150m Poland Plus fund; and Mezzanine Management has amassed around €180m towards its fourth fund. That these established players are able to raise follow-on funds is vindication of the track records they've built during the region's evolution. New ones are emerging: Estonia-based Tera Ventures has launched its second fund, targeting €55m, and Espira Investments has reached a first close of €30m for its debut vehicle, which will back CE SMEs with growth capital.

Raising fresh capital from investors means there is more money to invest in high-growth opportunities, and a staggering 98% of respondents expect current activity levels to be maintained (67%) or increase (31%). Lenders remain warm towards backing deals; despite increasing concern of markets overheating in Western Europe and particularly the UK, leverage remains less frothy in CE, with local lenders more liquid than their WE counterparts. For this reason, it is reasonable to assume activity will continue apace. Indeed most respondents expect to buy more than they sell in the coming months, further backing up

sentiment for a healthy deal-doing backdrop.

A surprising outtake from our latest survey is the expectation of softening vendor pricing. Typically deemed a driver of escalating prices, respondents in our latest survey seem to feel sellers may come down in what they accept for their assets. Nearly a fifth (17%) of respondents expect vendors to decrease their pricing expectations, up from 8% in our last survey.

The region posted 4.5% GDP growth in Q1, led by CE's largest market, Poland, and this should support continued momentum of current activity levels. Poland's growth for FY 2018 is forecast to be 4.2%, down marginally from 2017 but remaining one of Europe's fastest-growing economies¹. We are encouraged by this and look forward to continuing to work with deal doers to identify opportunities and build local businesses.



Mark Jung
Partner, Private Equity Leader
Deloitte Central Europe



¹ <https://www.focus-economics.com/regions/central-and-eastern-europe>

Central European Private Equity Index: Key findings

The private equity market in Central Europe remains strong following a robust 2017, with high levels of exits, deals and successful fundraisings all pointing to a strong market in growth phase.

Markets thrive on certainty, and 79% of respondents expect the strong economy to be maintained (67%) or improve (12%) over the coming months. The Index thus remains high, though slightly less so than our last survey, which mirrors the economic expectations: the remaining fifth of respondents (21%) expect economic conditions to worsen, which is double the proportion of last time (10%).

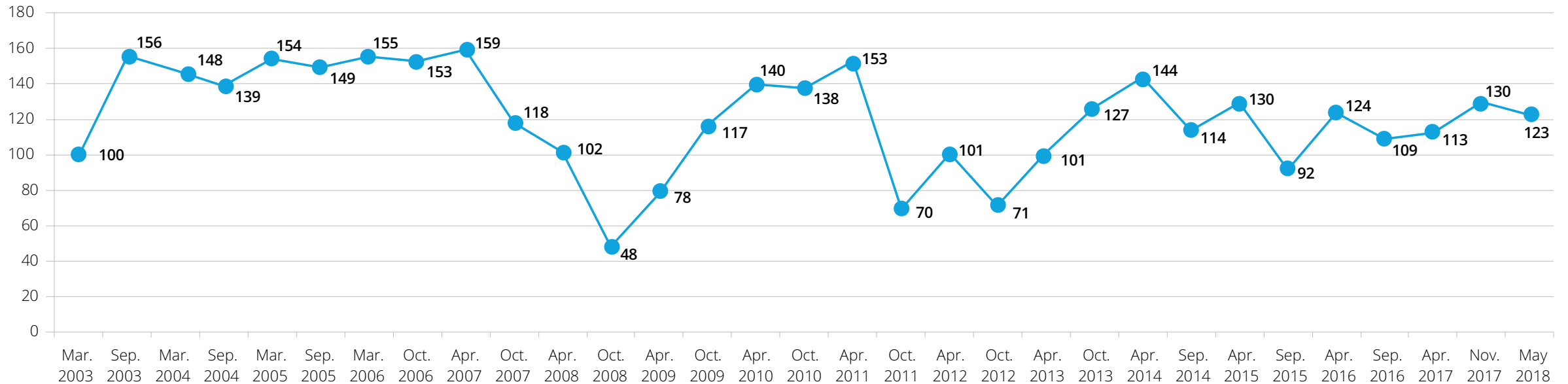
The backdrop is nevertheless conducive to deal-doing, with over two thirds of respondents (69%) expecting to focus mostly on new deals in the coming months. Leverage for these deals will be plentiful, and market-leading companies will be most competitive – as is perennially the case in our survey. Pricing increases may be coming down, with a doubling (to 17%) of the percentage of respondents expecting vendors to accept less for their assets over the next year.

The Index remains strong at 123, comfortably above the Index's ten-year average, though has lost some of the steam it gained at the end of last year

when it rose from 113 to 130.

As is usually the case, economic expectations appear to be reflected in the Confidence Index. Nearly four-fifths (79%) of respondents to our survey are feeling secure about the economy, with two-thirds (67%) expecting it to remain the same or improve (12%). The increase in those expecting a worsening of conditions (from 10% last survey to 21% this survey) could be behind the small drop in the Confidence Index.

Central Europe PE Confidence Index



Survey Results

Economic Climate

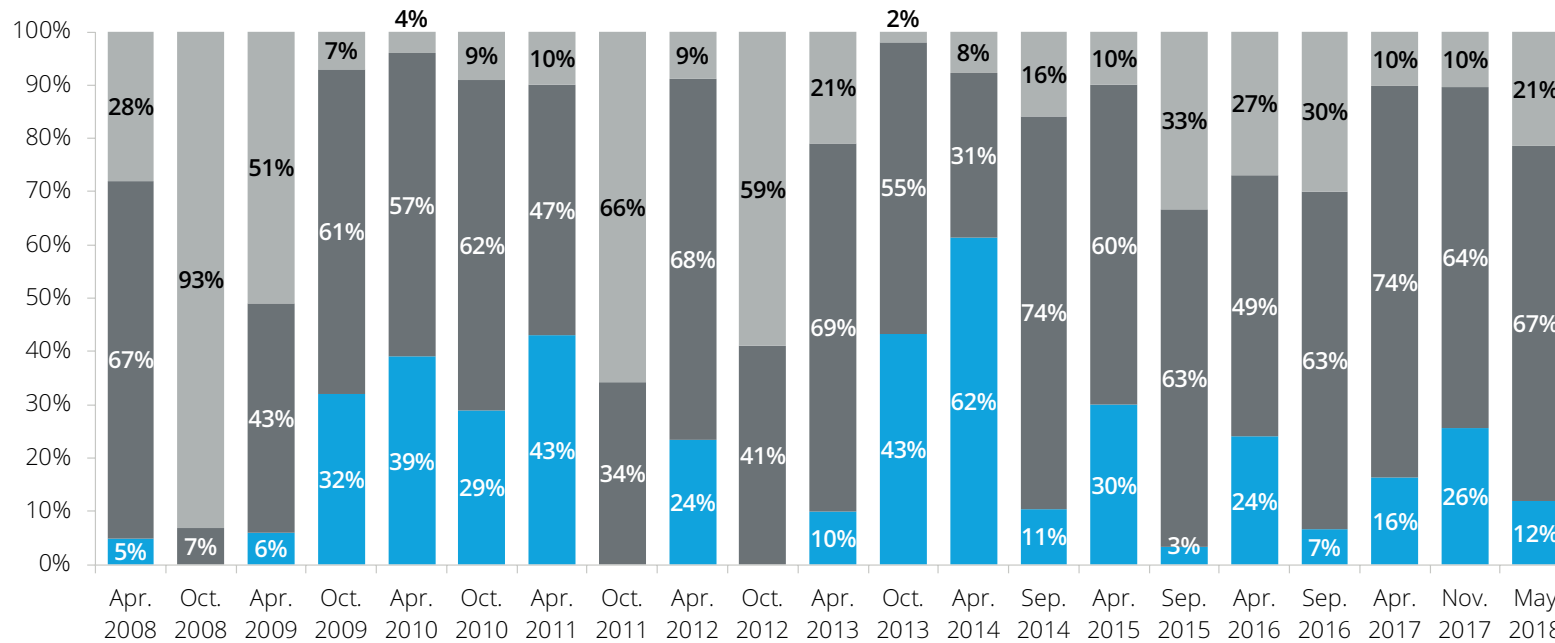
The current economic backdrop is strong, with 4.5% GDP growth recorded for CE in the first quarter of 2018. Confidence remains high, with two thirds (67%) expecting no change in the backdrop and more than a tenth (12%) expecting conditions to improve over the coming months.

Strong domestic economies are supported by low unemployment and high investment rates. The Czech Republic and Romania, two of the region's largest PE markets, saw growth slow in Q1, while CE's largest economy, Poland, saw growth gain steam and in fact record one of its strongest rates

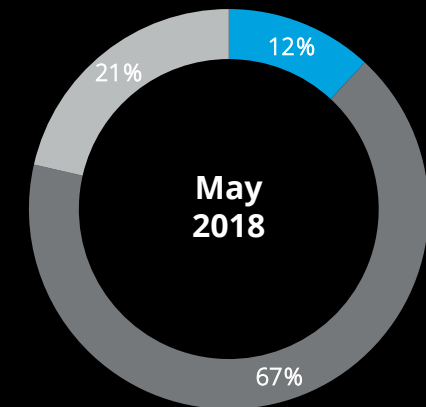
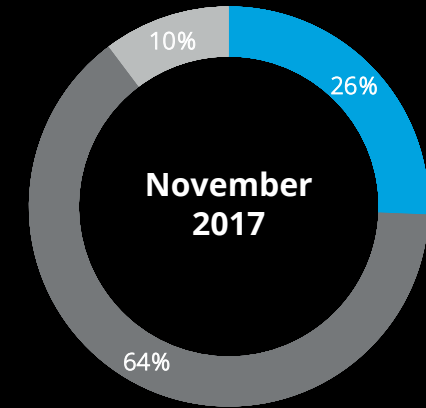
in the last decade on the back of increasing absorption of EU funds, wage growth and strong employment².

There has been, however, an increase in the proportion of respondents expecting conditions to decline, with a fifth (21%) anticipating a worsening in the coming months. This is up from our last survey, where just a tenth (10%) were pessimistic and the first time in two years there has been an increase in economic uncertainty expressed in the survey.

For this period, I expect the overall economic climate to:



Economic Climate (November 2017 vs May 2018)



- Improve
- Remain the same
- Decline

² <https://www.focus-economics.com/regions/central-and-eastern-europe>

Debt availability

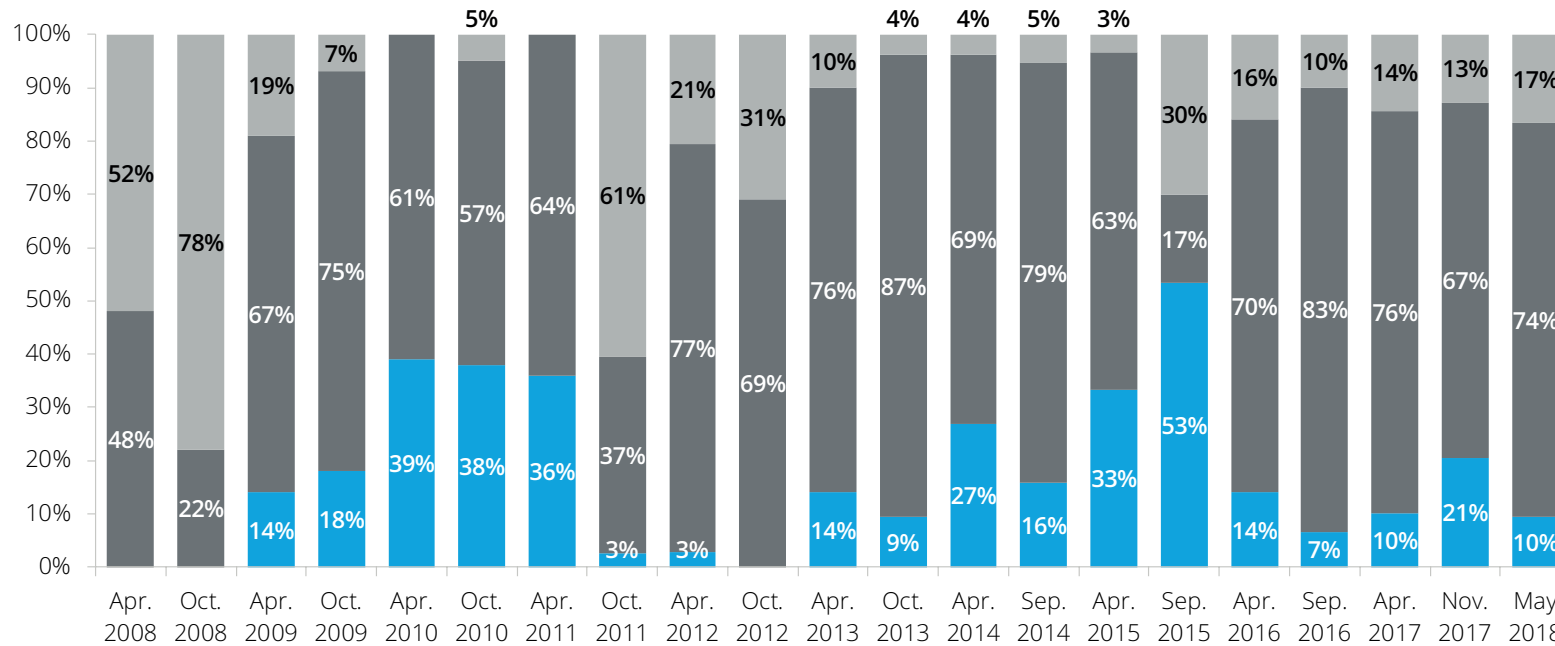
The growth of leverage may have stabilised, with three quarters of respondents (74%) expecting the availability of debt finance to remain the same over coming months. This is up from two thirds (67%) in the last survey, when a fifth (21%) expected leverage to be increasingly available. The current survey shows a tenth expecting debt finance to be more readily available, and 17% anticipating a decrease in the availability of funding for deals.

Leverage for European deals has grown markedly over the last year on the back of appetite from banks, private debt funds and the high-yield market. The UK leads Europe in this respect: leveraged loan volumes in Q1 2018 reached €13.9bn for the UK on the back of a handful of large deals, more than the three

previous quarters combined, according to a report by Marlborough Partners. The rest of Europe matched the record pace set in 2017, with €35.7bn recorded for Q1 2018, up marginally from €35.3bn in Q1 2017³.

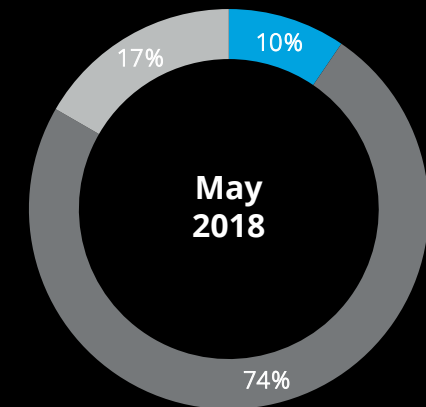
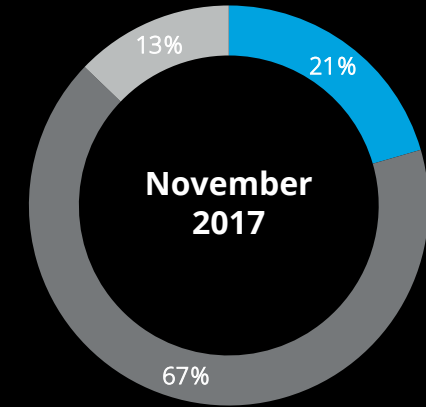
Deals in CE tend to be leveraged more conservatively than the Western European average of c4x. Liquidity in Polish and Czech commercial banks is high, which supports pricing and credit availability in local currencies, though hedging in euros or US dollars is a feature of some export-oriented businesses. Subordinated capital has been relatively rare though is increasing in mid-market deals.

For this period, I expect the availability of debt finance to:



³ <http://marlboroughpartners.com/marlborough-partners-q1-2018-report/>

Debt availability (November 2017 vs May 2018)



- Increase
- Remain the same
- Decrease

Investors' Focus

With the Index high, economic expectations optimistic, and leverage markets open, it is unsurprising most GPs are looking to deploy capital. More than two-thirds of private equity firms (69%) in CE will continue to focus on new investments over the coming months, in line with the survey over the last two years.

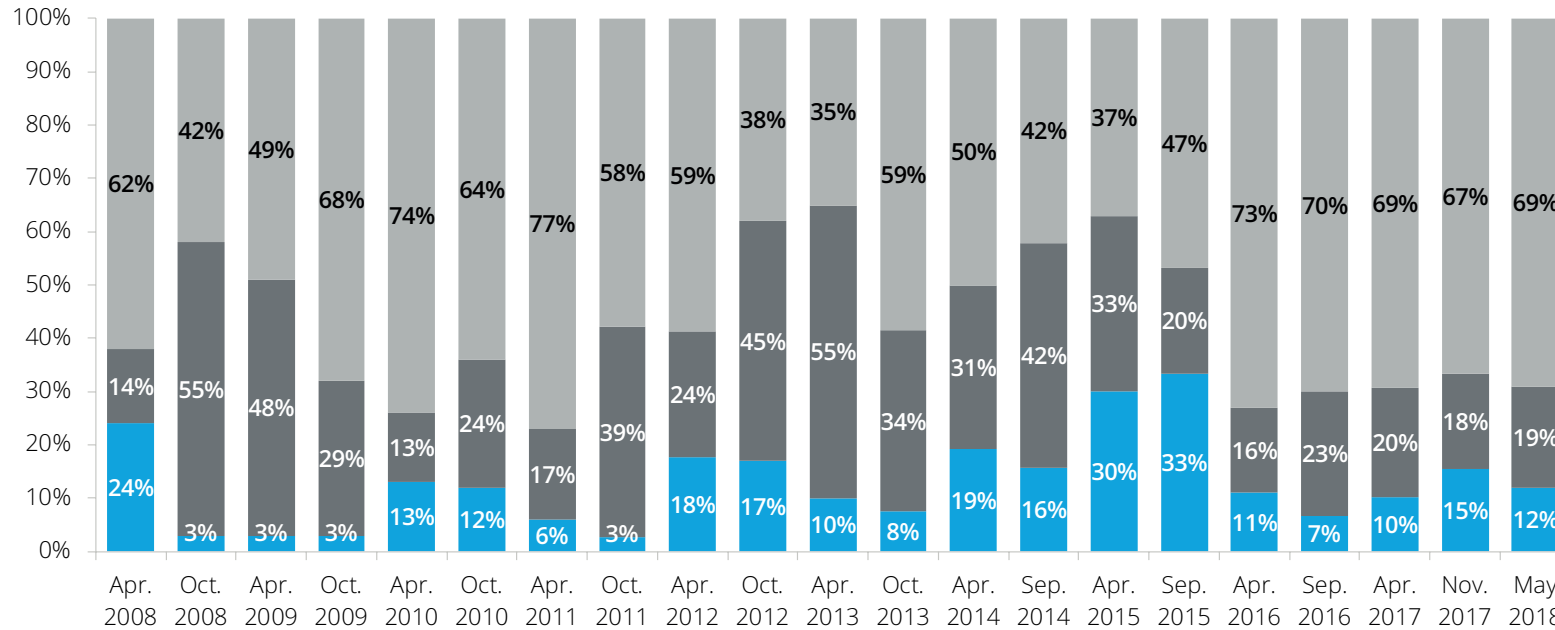
Just under a fifth (19%) will prioritise portfolio management, flat on last survey's response, and 12% anticipate focusing their efforts on fundraising, similar to our autumn survey.

Fundraising efforts have a well-trod path to follow since September 2017 when two regional heavyweights raised nearly €1bn between them: Abris collected €500m for its latest vehicle while Enterprise Investors closed on €498m. These and other fundraises will have been helped by an incredible two years for divestments, with Zabka, Profi

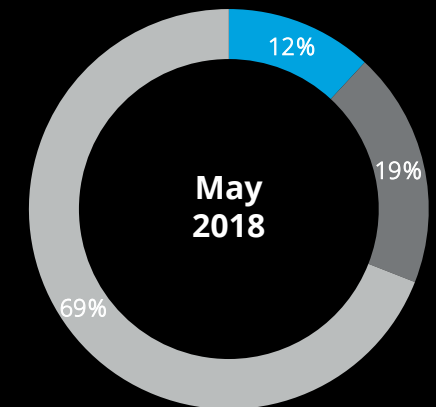
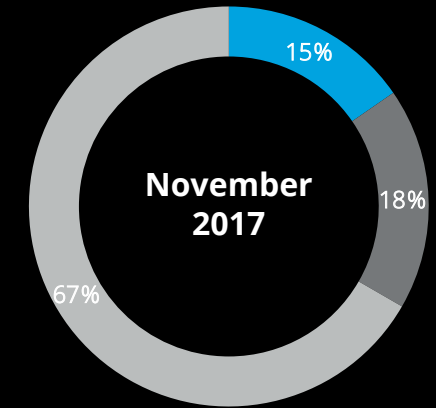
and Dino all grabbing headlines with their large price tags and handsome distributions for investors in 2017. Innova recently launched its sixth fund with a €194m first close in April 2018, putting it well on its way to its €325m hard cap. The China-CEE fund held a much-awaited first close in February 2018 on \$800m for its \$1bn vehicle. Value4Capital announced an €80m first close in January 2018 for its €150m Poland Plus fund, and Mezzanine Management has amassed c €180m towards its fourth fund.

Two news funds have been announced as well: Estonia-based Tera Ventures has launched its second fund, targeting €55m and with a first close expected later this year. Newcomer Espira Investments has reached a first close of €30m for its debut vehicle, which will back CE SMEs with growth capital.

For this period, I expect to spend the majority of my time focusing on:



Investors' Focus (November 2017 vs May 2018)



- Raising New Funds
- Portfolio Management
- New Investments

Size of transactions

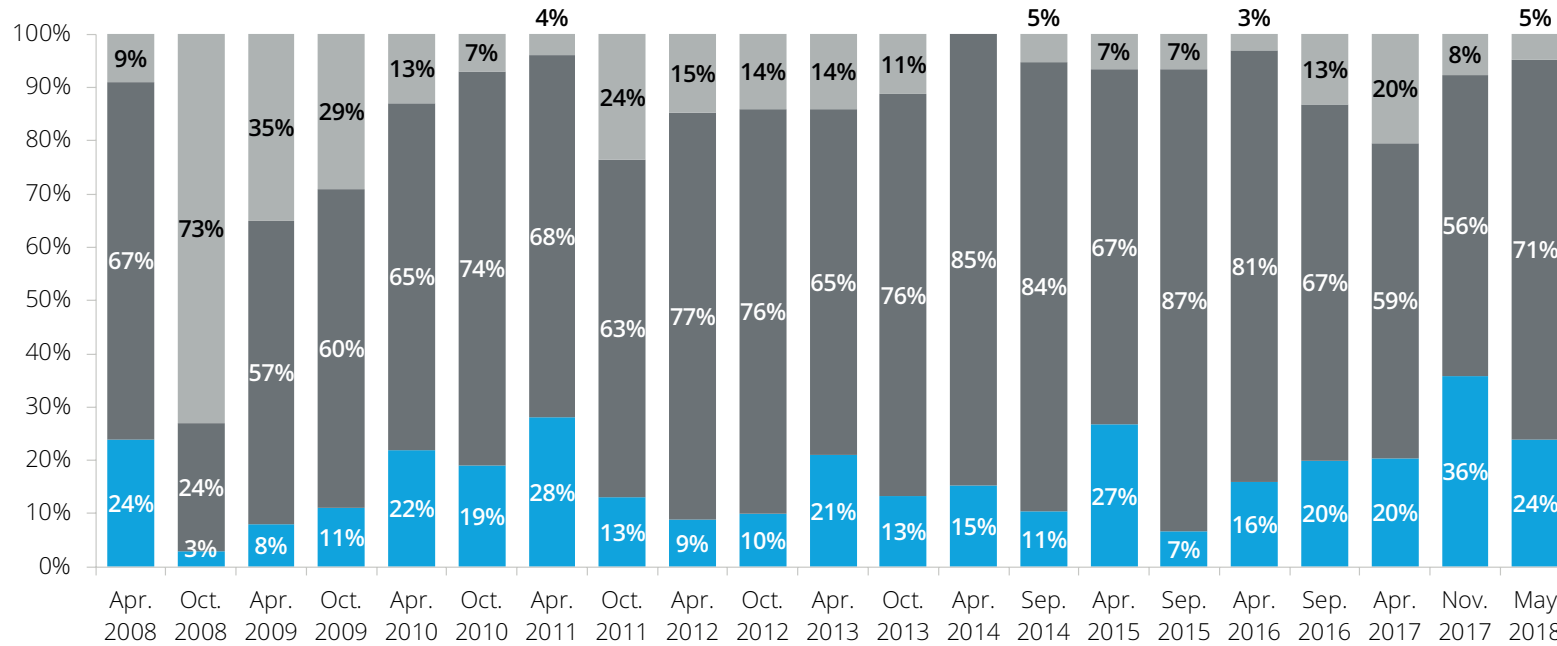
Deal sizes may be stabilising in CE, with 71% of deal doers expecting sizes to remain the same over the coming months, up markedly from 56% in our last survey.

The number of respondents expecting deal sizes to increase has fallen for the first time in three years, with a quarter (24%) responding in this way, down from 36% in our last survey. This may be on the back of a number of large deals over the last 18 months which has skewed averages above the norm for the region.

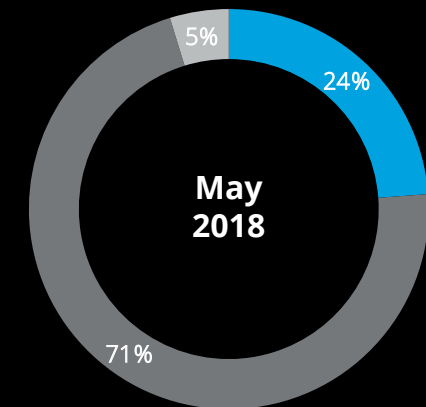
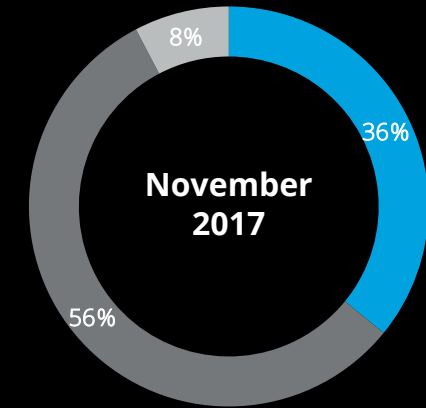
Throughout its two-and-a-half-decade history, the CE PE market has been firmly focused on the mid-market, with large deals the exception rather than

the norm. Many businesses in the region grow with the backing of a private equity owner, sometimes with multiple PE houses as the businesses mature and reach different growth milestones. Hungarian insurer Netrisk is a case in point: the business was backed by Enterprise Investors in July 2010 in a €23m deal. The business had been Hungary's first online comparison tool for the insurance market, and Enterprise partnered with the firm to scale the business further. In December 2017 MCI led a €56.5m secondary buyout of the business with €15.8m of backing from Mezzanine Management.

For this period, I expect the average size of transactions to:



Size of transactions (November 2017 vs May 2018)



- Increase
- Remain the same
- Decrease

Market Activity

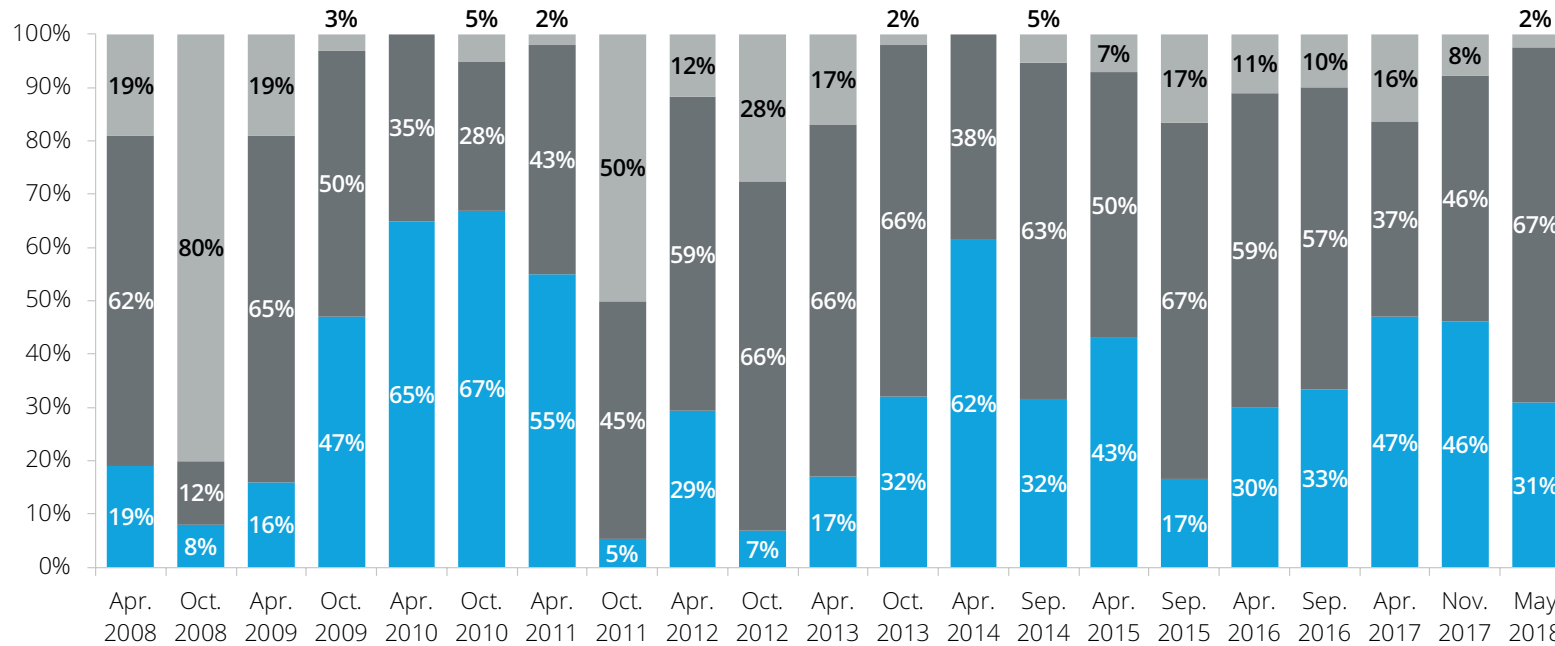
Two-thirds of respondents expect market activity to remain the same, the highest level in three years. Nearly a third (31%) expect activity to increase further from its currently high level of activity. This means just 2% expect activity to slow down – the lowest level in five years.

The market is busy: at the end of last year, it was reported that CE deal doing was at a six-year high⁴. Preliminary data for H1 2018 shows CE levels at €1.7bn for completed buyouts, according to CMBOR⁵. This is down on €5.4bn for all of last year, though that was driven by some mega-deals; it is already higher than the €1.71bn recorded for FY 2016 and €1.57bn for FY 2015. With a supportive

economic backdrop and lending conditions conducive to buyouts, it seems it would take an unforeseen shock to slow market activity in CE in the near-term.

The same cannot be said for Western Europe, where very frothy leverage markets combined with uncertain economic backdrops – particularly in the UK – mean some are talking of the top of the market. Some GPs are firmly in exit mode since high pricing makes harvesting deals sensible, and may be putting deal-doing on hold if they don't feel time-pressure to invest with maturing funds.

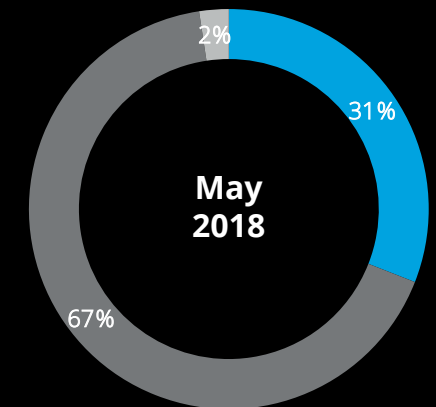
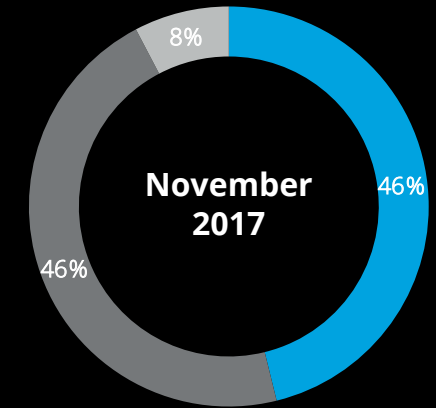
For this period, I expect the overall market activity to:



⁴ <http://www.unquote.com/cee/analysis/3005167/cee-buyout-activity-reaches-six-year-high>

⁵ the CMBOR at Imperial College Business School, sponsored by Equistone Partners Europe and Investec Specialist Bank

Market Activity (November 2017 vs May 2018)



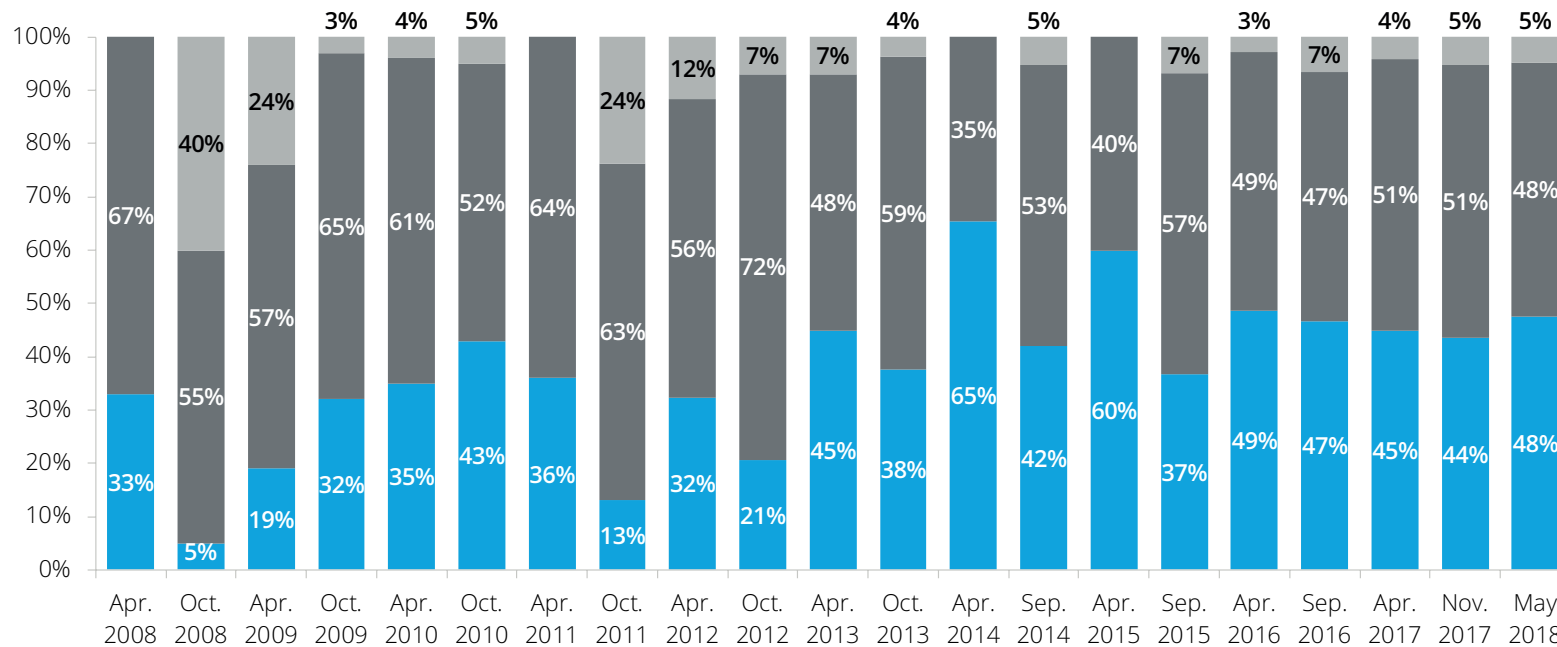
- Increase
- Remain the same
- Decrease

Investment return

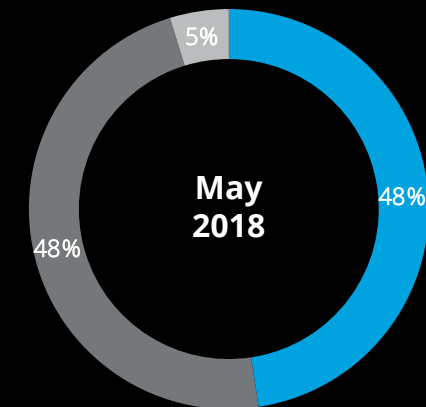
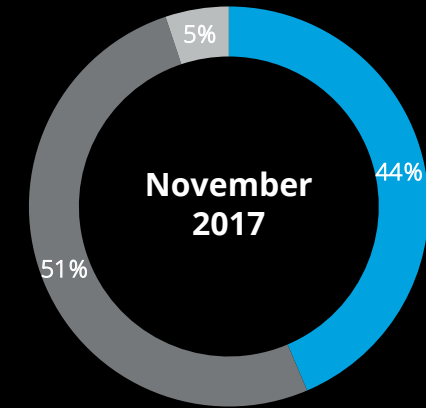
For the fifth survey in a row, financial efficiency of investments is expected to remain the same: 48% expect no change; 47% expect an improvement; and the remaining 5% expect a decline.

The autumn survey saw a slightly higher level of respondents (51% versus 48% this survey) expect efficiency to remain the same; the slight drop-off was picked up in the portion of those expecting efficiency to increase, reflecting relative optimism in the market over the coming semester.

For this period, I expect the efficiency of my financial investments to:



Investment return (November 2017 vs May 2018)



- Improve
- Remain the same
- Decline

Investors' activities

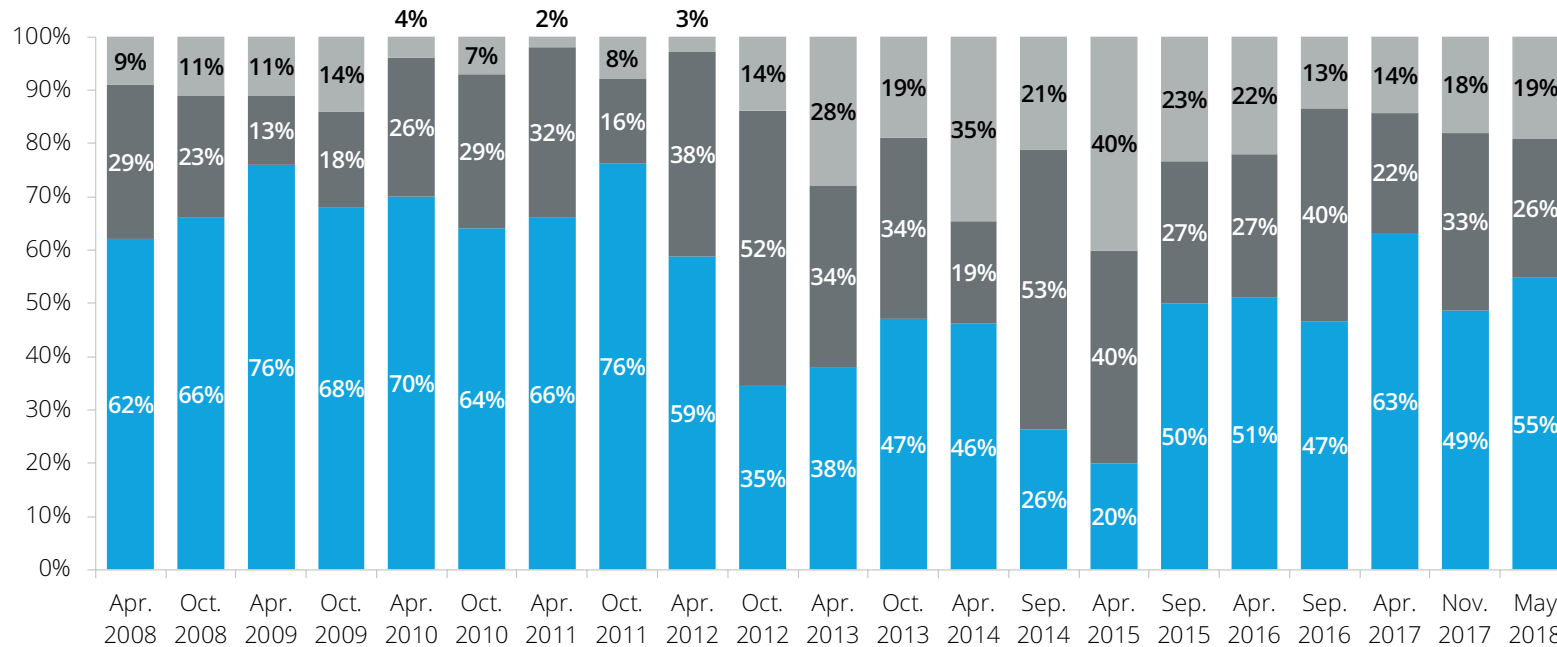
Deal doers in CE continue to expect to buy more than they sell in the coming months, with the number standing at 55% now, up from 49% in the autumn. This could be on the back of successful fundraisings, which mean sponsors have more capital to deploy.

Czech GP Genesis capital did four deals in 2017, twice the firm's normal deployment rate, suggesting conditions are ripe for deal-doing. Deals backed include POS Media Group, Datart/HP Tronic and EQOS (the firm's first deal in Poland).

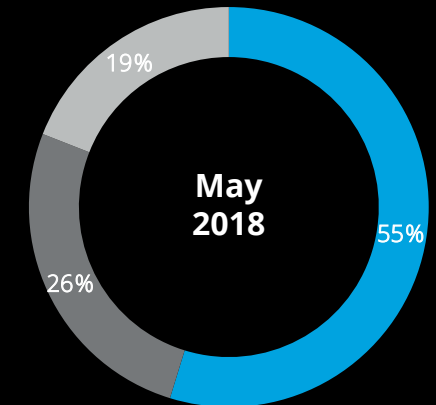
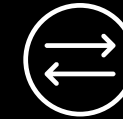
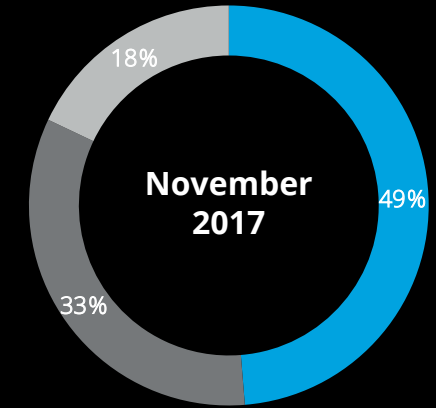
The last two years have been phenomenally strong for exits in European private equity, and CE is no exception. Enterprise Investors clocked up nine exits in 2017

(some partial), and in 2018 has listed Lithuanian Novaturas on the WSE for a partial exit. Its final exit of 2017 was the €56.5m sale of Hungarian insurance broker Netrisk.hu to VC MCI, with Mezzanine Management supporting the deal with a €15.8m capital injection. BaltCap has made three exits in the last few months: the firm sold Estonian aircraft maintenance business Magnetic to a Chinese trade buyer for €43.2m, sold Runway to KKR-backed Webhelp, and Trev-2 was sold to a French trade buyer. Arx had two exits in 2017 and in 2018 sold motor manufacturer VUES to listed trade buyer Moog in a €53m deal. Genesis sold POS Media – just over a year after backing the business – to Thai trade buyer DemoPower. EQT recently sold medtech business HTL Strefa in a secondary buyout to Investindustrial's PIC. EQT had invested in the business in 2009 and it now generates revenues of c€80m.

For this period, I expect to:



Investors' activities (November 2017 vs May 2018)



- Buy more
- Buy and sell equally
- Sell more

Competition for new investments

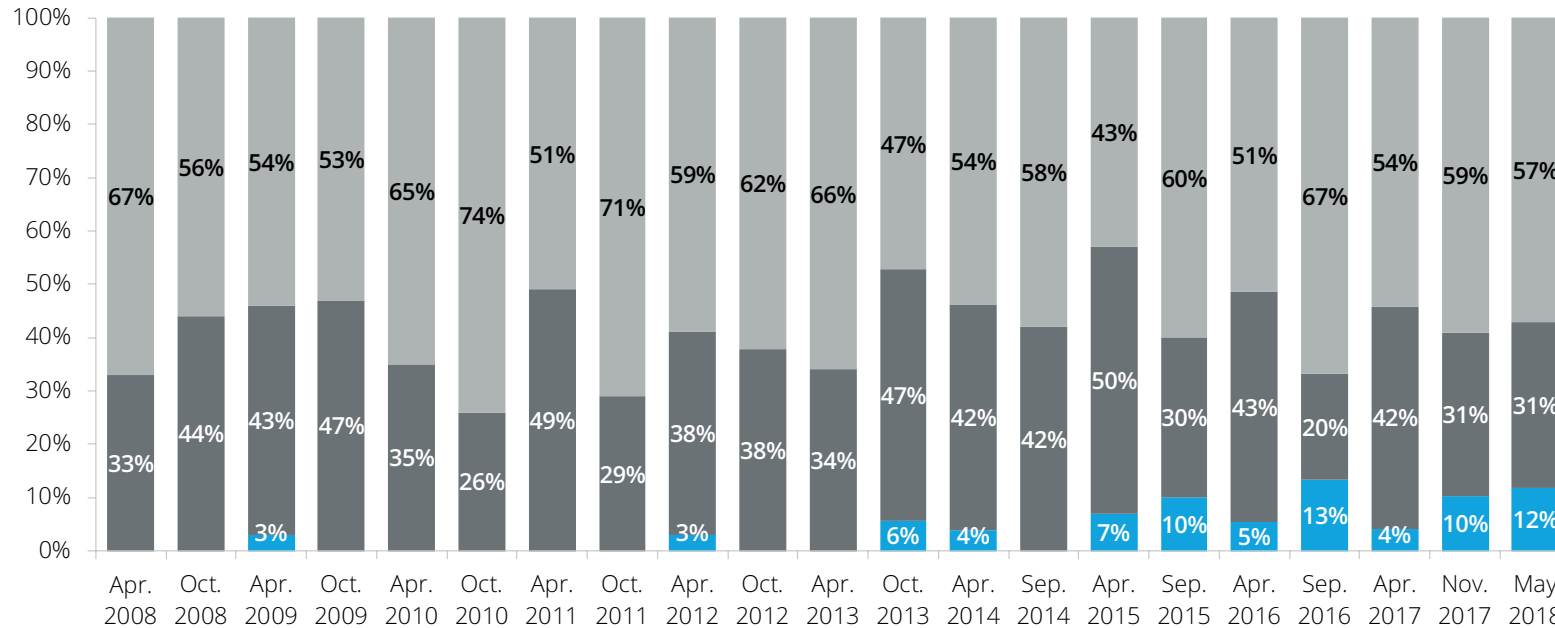
As has been the case for nearly all the CE PE surveys, market leaders are deemed to be the most hotly contested in CE, with 57% of respondents anticipating this to be the most competitive hunting ground for deals.

Start-ups continue to register on respondents' radars – fairly new since 2015 – with 12% expecting them to be the most competitive deal space. This may be down to government initiatives launched to boost funding into the segment, as well as an increase in the so-called 'unicorns' being created globally, with large tech firms hunting in the start-up space to acquire skills and talent. Oracle, for example, bought Czech IT firm Apiary from Credo in 2017 and

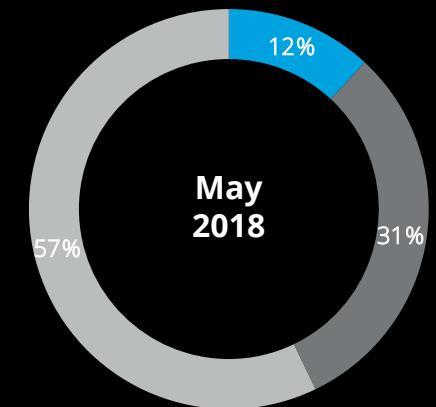
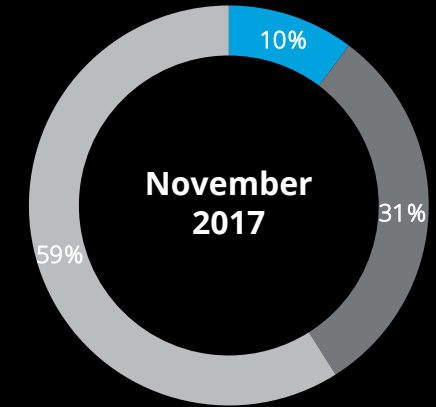
the London Stock Exchange's largest-ever tech IPO came from CE when cybersecurity firm Avast floated recently, backed by CVC.

Flat on last survey, mid-sized growing businesses are expected to be the most competitive by just under a third of respondents (31%).

For this period, I expect the highest competition for new investment opportunities in:



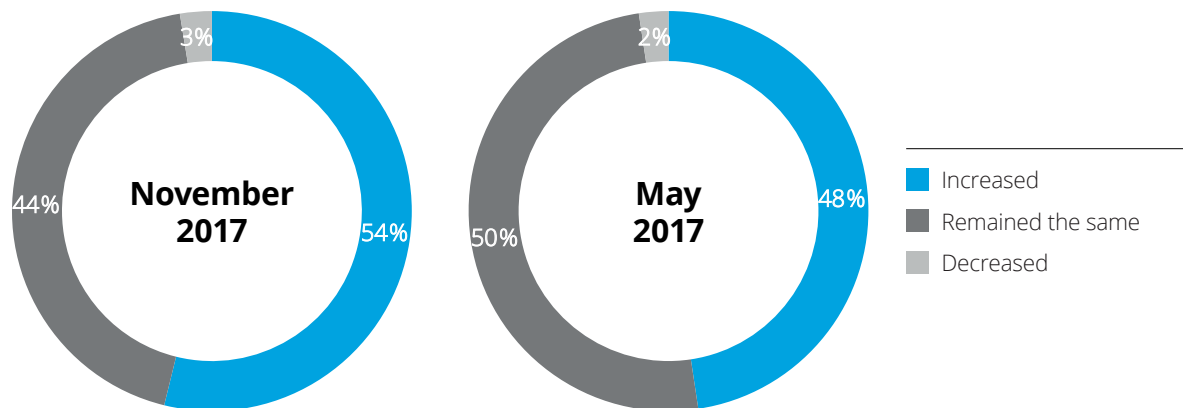
Competition for new investments (November 2017 vs May 2018)



- Start-ups
- Middle-sized growing companies
- Market leaders

Entry Multiples

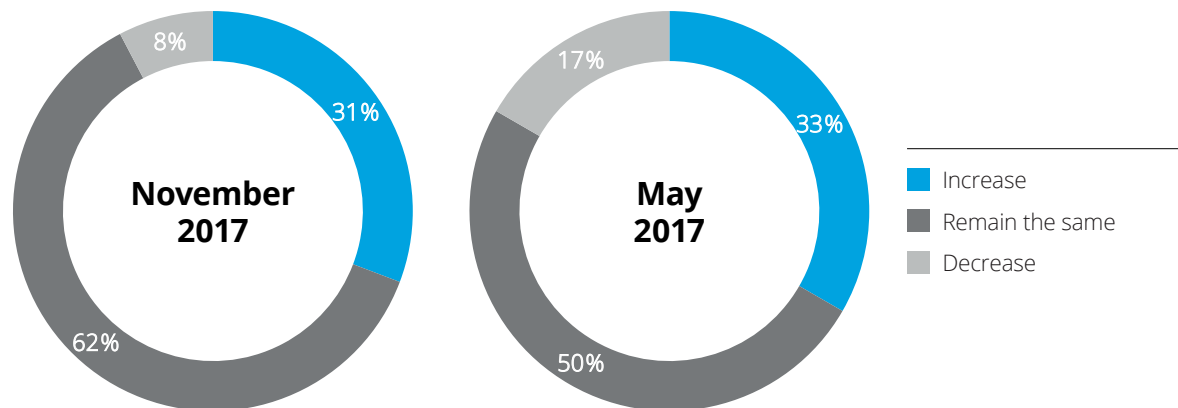
Relative to 6 months ago, vendor pricing expectations have:



Vendors continue to have high expectations for their assets, with nearly all respondents saying vendors have expected the same price (50%) or a higher one (48%) over the last six months. Just 2% said vendors accepted lower prices for their businesses.

Last autumn, 54% of respondents felt vendors had heightened their expectations for selling their assets, so while prices remain high, the six-percentage-point reduction in perception of expectations may signal a softening of sentiment around what assets are worth.

Over the next 12 months, we expect vendor pricing expectations to:



A softening in vendor price expectations may be on the cards, with two thirds of respondents (67%) expecting vendor pricing expectations to stay the same (50%) or decrease (17%) over the next 12 months. This is surprising given a number of fundraising announcements and expectations of continued liquidity in the leverage markets. It also contrasts with a previous question in this survey which reveals just 5% of respondents expect vendor price expectations to reduce.

Entry multiples for PE deals in CE stood at 10.8x EBITDA for Q1 2018, according to the Clearwater Multiples Heatmap⁶. The business services average was just 6.3x in CE, with food and beverage another value play at 7.1x for the region. In this latter sector, Enterprise Investors recently backed Croatian baker and confectioner Pan-

Pek. Healthcare deals posted an average entry multiple of 11.3x – this may reflect the relatively larger size of deals and the debt they are thus able to withstand at signing. Recent deals in this area include Mid Europa's acquisition of a 55% stake in Serbian Medigroup from Blue Sea Capital, a Croatian PE house; Abris Capital's acquisition of Polish hygienic product maker Velvet Care; and Mid Europa's acquisition of laboratory inspection business JS Hamilton from Enterprise Investors.

In a market marked with liquid leverage markets and increasing levels of dry powder as fundraising continues apace, it is surprising that deal-doers expect pricing to come down. In our last survey, only 8% expected vendor pricing expectations to decrease.

⁶ Source: <http://clearwaterinternational.com/library/multiples-heatmap-analysis-q1-2018/?cldee=a3AcGVjb21tcy5jb20%3d&recipientid=contact-a2195970d184e611a58a00155d6f500f-433c768903374670acfbe6a9c68ea6de&esid=23ba1810-016f-e811-a1ca-00155d6f500f>

Deals watch

Investments

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Mid Europa Partners LLP	Poland	J.S. Hamilton Poland	May 2018	n/d	n/d	Mid Europa Partners LLP, the UK-based private equity firm, has acquired an undisclosed majority stake in J.S. Hamilton Poland S.A., a Poland-based company engaged in providing laboratory inspection and testing services for various industries, from Hamilton Holding S.a rl, a Poland-based investment holding company and Enterprise Investors Sp. z o.o., a Poland-based private equity and venture capital firm, for an undisclosed consideration.
PPF Group	Czech Republic	ČD Telematika a.s.	May 2018	n/d	29.04	PPF Group announces that it has acquired a 29.04% equity stake in ČD Telematika, a leading Czech provider of wholesale internet, data and voice services, for an undisclosed consideration.
Abris Capital Partners	Poland	Velvet CARE Sp z.o.o.	May 2018	n/d	Majority stake	Abris Capital Partners, a Poland-based private equity firm, through its fund, Abris CEE Mid-Market Fund III, acquired an undisclosed majority stake in Velvet CARE Sp z.o.o., a Poland-based company engaged in manufacturing hygiene products, from Avallon Sp. z o.o., a Poland-based private equity firm, for an undisclosed consideration.
C2H Private Equity s.r.o	Czech Republic	Kara Trutnov a.s.	May 2018	n/d	90%	C2H Private Equity s.r.o., a Czech Republic-based investment holding company having interest in the companies engaged in manufacturing bicycles, and retailing of clothes and apparels, has acquired 90% stake in Kara Trutnov, a.s., a Czech Republic-based manufacturer and retailer of leather clothing from Mr. Zdenek Rinth, a Czech Republic-based individual having interest in companies engaged in clothes and apparels, for an undisclosed consideration.
Kartesia LLP	Latvia	SIA Groglass	May 2018	n/d	n/d	Kartesia Advisor LLP, the UK-based principal investment firm, along with the management of SIA Groglass, the Latvia-based developer and manufacturer of anti-reflective and other high-performance coatings on glass and acrylic for various industries, have acquired the company, from NCH Capital Inc, the US-based private equity firm, for an undisclosed consideration.
PPF Group	Czech Republic	Škoda Transportation a.s.	April 2018	n/d	100	PPF Group announces completion of its acquisition of 100% of shares in Škoda Transportation, including other assets related to the company's operations, for undisclosed consideration.
Equistone Partners Europe Limited	Poland	Korona Candles S.A.	April 2018	n/d	n/d	Gala Kerzen GmbH, a Germany-based candle manufacturer and a portfolio company of Equistone Partners Europe Limited, the UK-based private equity firm, has acquired Korona Candles S.A., a Poland-based manufacturer of candle, from private investors Mr. Krzysztof Jablonski and Mr.Friedrich Rather, for an undisclosed consideration.
Hartenberg Capital, s.r.o	Czech Republic	ASTRATEx	April 2018	n/d	51%	Hartenberg Capital, s.r.o., a Czech Republic-based private equity firm, has acquired a 51% stake in ASTRATEx s.r.o., a Czech Republic-based online retailer specializing in lingerie and intimate fashion, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Enterprise Investors Sp. z o.o.	Croatia	PAN-PEK d.o.o	March 2018	n/d	65%	Enterprise Investors Sp. z o.o.(EI), a Poland-based private equity and venture capital firm, through its Polish Enterprise Fund VII, has acquired a 65% stake in PAN-PEK d.o.o., a Croatia-based producer of baked products and confectionary, from Mr. Ivan Parac, a Croatia-based private investor, for an undisclosed consideration.
GreenGold Asset Management AB/KB	Romania	Cascade Empire S.R.L.	March 2018	90	n/d	GreenGold Asset Management AB/KB, a Sweden-based private equity house, has acquired Cascade Empire S.R.L., a Romania-based forestry company, and Ocol Silvic Cascade Empire s.r.l., a Romania-based forest management company, from SPB Beteiligungsverwaltung GmbH, an Austria-based family company engaged in the business of wood processing, for an estimated consideration of EUR 90m.
Novalpina Capital LLP	Estonia	Olympic Entertainment Group	March 2018	228.4	100%	Novalpina Capital LLP has agreed to acquire Olympic Entertainment Group AS through a voluntary takeover offer.Novalpina Capital LLP is a UK-based private equity firm, headquartered in London.Olympic Entertainment Group AS (OEG) is an Estonia-based company engaged in the provision of casinos and gaming services.Terms: Novalpina will pay a total consideration of EUR 228.4m. Novalpina has offered to purchase 151,791,206 shares, representing 100% stake of OEG for an offer price of EUR 1.9 per share.
Black Pearls VC	Estonia	Insly	March 2018	0.7	n/d	Black Pearls VC has invested PLN 2.94 million (EUR 700k) in Insly, a company that created an innovative software supporting insurance agents and brokers in effective management of sales and customer service activities.
DPE Deutsche Private Equity GmbH	Romania	Mega Press Holdings S.A	February 2018	n/d	n/d	DPE Deutsche Private Equity GmbH, the Germany-based private equity firm through its portfolio company, Euro-Druckservice GmbH(EDS), a Germany-based company engaged in providing printing services, has acquired Mega Press Holdings S.A., a Romania-based provider of press and printing services and its subsidiary, Editura Aramis S.R.L., a Romania-based company engaged in providing printing services, for an undisclosed consideration.
Genesis Capital s.r.o., Avallon Sp. z o.o.	Poland	EQOS Energie Polska Sp.z o.o.	February 2018	n/d	n/d	Genesis Capital s.r.o., a Czech Republic-based private equity firm, and Avallon Sp. z o.o., a Poland-based private equity firm, have agreed to acquire EQOS Energie Polska Sp. z o.o., a Poland-based provider of services in comprehensive technical infrastructures, and EQOS Energie Cesko spol. s r.o., a Czech Republic-based provider of services in comprehensive technical infrastructures, from EQOS Energie Holding S.a r.l., a Luxembourg-based provider of overhead power line, railway line construction and industrial engineering services, for an undisclosed consideration.
Triton Partners	Poland	Profim sp. z o.o.	February 2018	n/d	n/d	Flokk A.S., a Norway-based company engaged in the design, development, manufacture and sale of office chairs and seating solutions, and a portfolio company of Triton Partners, the UK-based private equity firm, has agreed to acquire Profim sp. z o.o., a Poland-based manufacturer and designer of office seating, from Innova Capital Sp zoo, the Poland-based private equity firm, and Mr. Ryszard Rychlik, Profim's Chairman, for an undisclosed equity consideration.
21 Concordia Sp. z o.o.	Poland	Sare S.A.	February 2018	n/d	65.5%	21 Concordia, a private equity fund from the 21 Partners group, acquired a 65.45% stake in the leading internet marketing group listed on the Warsaw Stock Exchange SARE SA.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Capital Partners	Poland	Piotr i Paweł	February 2018	n/d	n/d	The PE fund managed by TFI Capital Partners has acquired the supermarket chain Piotr i Paweł. The transaction should allow the acquired company to gain financial stability as it continues with the search for a strategic investor. Currently the supermarket chain comprises 145 stores across Poland.
Mezzanine Management	Poland	Nettle S.A.	February 2018	n/d	n/d	AMC Capital IV S.c.Sp., advised by Mezzanine Management, provided EUR 24.0 million long-term debt and equity co-investment in Nettle S.A.
Black Pearls VC	Poland	iGRID	January 2018	0.720	n/d	Black Pearls VC invests PLN 3m (€ 720k) in iGRID – a startup using industrial internet of things (IIOT) and fog computing technologies for the needs of the energy industry.
AC Investment S.a.r.l.	Czech Republic	Vitrablok s.r.o	January 2018	n/d	n/d	ASC Investment S.a.r.l, the Luxembourg-based private equity and investment firm, has agreed to acquire Vitrablok s.r.o, the Czech Republic-based company engaged in manufacturing and sale of glass blocks for the construction industry, from Seves Group S.a.r.l., the Luxembourg-based manufacturer and distributor of glass, porcelain, and composite insulators for power generation and transmission systems, power distribution systems and electric railways and a portfolio company of Triton Partners, the UK-based private equity firm, for an undisclosed consideration.
MCI Capital S.A.	Hungary	Netrisk.hu	December 2017	56.5	n/d	MCI Capital S.A., a listed Poland-based private equity firm, has acquired Netrisk.hu Elso Online Biztositasi Alkusz Zrt., a Hungary-based online non-life insurance broker, from Enterprise Investors Sp. z o.o., a Poland-based private equity firm. The value of the transaction co-financed by Mezzanine Management and Bank Gospodarstwa Krajowego amounted to EUR 56.5 million.
Cerberus Capital Management L.P	Romania	Radisson Hospitality Complex	December 2017	n/d	n/d	Cerberus Capital Management, L.P., the US-based private equity firm and Revetas Capital Advisors LLP, the UK-based real estate asset manager, has acquired Radisson Hospitality Complex, a Romania-based hotel complex of Radisson Blu and Park Inn hotels, from Elbit Imaging Ltd, a listed Israel-based holding company with activities in, commercial and entertainment centers, hotels, residential real estate, bio and medical devices, retail and others, for an undisclosed consideration.
BaltCap Infrastructure Fund	Latvia	Anaerobic Holding SIA	December 2017	9.45	75%	BaltCap Infrastructure Fund, an Estonia-based fund of BaltCap, an Estonia-based private equity and venture capital firm, has acquired a 75% stake in Anaerobic Holding, SIA, a Latvia-based company that owns and operates biogas plants, from Nils Aleksa, a Latvia-based private investor, for a consideration of EUR 9.45m.
J.C. Flowers & Co. LLC	Romania	Piraeus Bank Romania	December 2017	n/d	n/d	J.C. Flowers & Co. LLC has agreed to acquire Piraeus Bank Romania S.A. from Piraeus Bank SA, for an undisclosed consideration. J.C. Flowers & Co. LLC is the US-based private equity firm, headquartered in New York. Piraeus Bank Romania S.A. (PBR) is a Romania-based bank providing various banking products and services, headquartered in Bucharest.
Penta Investments Limited	Romania	A&D Pharma Holdings N.V.	December 2017	350	n/d	Penta Investments Limited, a Czech Republic-based private equity firm agreed to acquire A&D Pharma Holdings N.V. , from Mr. Roger Akoury and Mr. Walid Abboud, via Sograno NV. The consideration for acquisition of A&D Pharma is estimated at EUR 350m, with an enterprise value of EUR 400m.
21 Partners S.p.A.	Poland	Korporacja Kurierska	December 2017	4.75	n/d	R2G Polska Sp. z o.o., a Poland-based logistics and courier services provider, and a portfolio company of 21 Concordia sp. z o.o. (ultimate owner 21 Partners S.p.A.), an Italy-based private equity firm, has acquired Korporacja Kurierska, a Poland-based courier services broker, for a consideration of PLN 20m (EUR 4.75m).

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
RSBC PRIVATE EQUITY CZ A.S.	Slovenia	Arex d.o.o SENTJERNEJ	December 2017	n/d	n/d	RSBC PRIVATE EQUITY CZ A.S., a Czech Republic-based private investment group, has acquired Arex d.o.o. SENTJERNEJ, a Slovenia-based firearm maker, from Mr. Ivan Kralj, a Slovenia-based private investor, for an undisclosed consideration.
Avallon Sp. z o.o.	Poland	EBS Sp. z o.o.	December 2017	n/d	70	Avallon Sp. z o.o., a Poland-based private equity firm, along with the management of EBS sp. z.o.o., a Poland-based manufacturer of remote security systems, have acquired the company in a management buyout transaction, for an undisclosed consideration.
Starwood Capital s.r.o	Hungary	Sofitel Budapest Chain Bridge Hotel	December 2017	75	n/d	Starwood Capital Group, the US-based private equity firm, has acquired Sofitel Budapest Chain Bridge Hotel, a Budapest-based hotel, from Orbis S.A., a listed Poland-based hotel chain, transportation and travel services company, for a consideration of EUR 75m.
Macquarie Group Limited	Poland	INEA S.A	December 2017	n/d	Majority stake	Macquarie Infrastructure and Real Assets (MIRA), an Australia-based infrastructure asset manager and a subsidiary of Macquarie Group Limited, a listed Australia-based private equity firm, has agreed to acquire a majority stake in INEA S.A., a Poland-based operator of telecommunications and fibre-to-the-home (FTTH) network, from Warburg Pincus LLC, the US-based private equity and venture capital firm, for an undisclosed consideration.
Vitruvian Partners LLP	Romania	BitDefender S.R.L.	December 2017	n/d	30%	Vitruvian Partners LLP, the UK-based private equity firm, has agreed to acquire an approximately 30% stake in BitDefender S.R.L., a Romania-based company that develops security software solutions, from Axxess Capital, a Romania-based private equity and venture capital firm, for an undisclosed consideration.
Abris Capital Partners	Poland	WDX SA	December 2017	n/a	n/a	WOHO Holdings Ltd., a subsidiary of the Abris CEE Mid-Market III LP fund managed by Abris Capital Partners Ltd., has launched a bid offering the price of PLN 14.88 per share.
Genesis Capital s.r.o	Czech Republic	Sanborn	November 2017	n/d	Majority stake	Genesis Capital s.r.o., a Czech Republic-based private equity firm, and BDO Investment SICAV a.s., a Czech Republic-based investment fund of BDO, the UK-based company providing audit & assurance, tax, advisory, business services& outsourcing and accounting services, have agreed to acquire a significant majority stake in SANBORN a.s., a Czech Republic-based manufacturer of specialized parts for equipment in the power, petrochemical and transport industries, for an undisclosed consideration.
Audax Private Equity Group	Estonia	ZeroTurnaround AS	November 2017	n/d	n/d	Rogue Wave Software, Inc., the US-based provider of cross-platform software development tools and embedded components for high productivity computing applications and a portfolio company of Audax Private Equity Group, the US-based private equity firm, has acquired ZeroTurnaround AS, an Estonia-based company engaged in developing developer tools for creating quality software products, from Bain Capital LLC and Western Technology Investment, the US-based private equity firms, for an undisclosed consideration.
Genesis Capital s.r.o.	Czech Republic	D2G Group	November 2017	n/d	Majority stake	Genesis Capital s.r.o., a Czech Republic-based private equity firm, through Genesis Private Equity Fund III, a Czech Republic-based private equity fund, has acquired an undisclosed majority stake in D2G Group, a Czech Republic-based group engaged in providing industrial automation technologies, for an undisclosed consideration.
UP Invest OU	Estonia	Apollo Kino OU	November 2017	n/d	55%	UP Invest OU, an Estonia-based private equity firm has acquired a 55% stake in Apollo Kino OU, an Estonia-based company that owns and operates movie theatres, for an undisclosed consideration.

Selected Exits

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
J.S. Hamilton Poland S.A.	Poland	Enterprise Investors Sp. z o.o.	Mid Europa Partners LLP	May 2018	n/d	n/d	Mid Europa Partners LLP, the UK-based private equity firm, has acquired an undisclosed majority stake in J.S. Hamilton Poland S.A., a Poland-based company engaged in providing laboratory inspection and testing services for various industries, from Hamilton Holding S.a rl, a Poland-based investment holding company and Enterprise Investors Sp. z o.o., a Poland-based private equity and venture capital firm, for an undisclosed consideration.
Velvet CARE Sp z.o.o.	Poland	Avallon Sp. z o.o.	Abris Capital Partners	May 2018	n/d	Majority stake	Abris Capital Partners, a Poland-based private equity firm, through its fund, Abris CEE Mid-Market Fund III, acquired an undisclosed majority stake in Velvet CARE Sp z.o.o., a Poland-based company engaged in manufacturing hygiene products, from Avallon Sp. z o.o., a Poland-based private equity firm, for an undisclosed consideration.
SIA Groglass	Latvia	NCH Capital Inc	Kartesia Advisor LLP	May 2018	n/d	n/d	Kartesia Advisor LLP, the UK-based principal investment firm, along with the management of SIA Groglass, the Latvia-based developer and manufacturer of anti-reflective and other high-performance coatings on glass and acrylic for various industries, have acquired the company, from NCH Capital Inc, the US-based private equity firm, for an undisclosed consideration.
POS Media Czech Republic, s.r.o.	Czech Republic	Genesis Capital s.r.o.	Demo Power (Thailand) Co., Ltd.	May 2018	n/d	47	Demo Power (Thailand) Co., Ltd., a Thailand-based company that provides marketing event services to promote the sale of products, a member company of Omni Marketing Global, a Thailand-based shopper marketing solutions provider has acquired a 47% stake in POS Media Czech Republic, s.r.o., a Czech Republic-based provider of point-of-sales advertising services to retail customers in Europe from Genesis Private Equity Fund III, a Czech Republic-based fund of Genesis Capital s.r.o., a Czech Republic-based private equity firm, for an undisclosed consideration.
VUES Brno s.r.o.	Czech Republic	ARX Equity Partners	Moog Inc.	April 2018	53	100	Moog Inc., the listed US-based designer, manufacturer and integrator of precision control components and systems, acquired VUES Brno s.r.o., a Czech Republic-based company that designs and manufactures customized electric motors, generators and solutions, from ARX Equity Partners, Czech-based private equity firm, for a cash consideration of EUR 53m.
Novaturas	Lithuania	Enterprise Investors Sp. z o.o.	IPO	March 2018	n/a	n/a	Polish Enterprise Fund VI (PEF VI), a private equity fund managed by Enterprise Investors (EI), has partially exited Novaturas, the leading tour operator in the Baltic region, through an IPO on the Warsaw Stock Exchange (WSE) and on Nasdaq Vilnius.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Zdroweconomy.pl	Poland	MCI Capital	Diagnostyka Sp. z o.o.	March 2018	n/d	n/d	The Internet Ventures Fund from the MCI Group has sold all shares in the Zdroweconomy.pl service to an industry investor — Diagnostyka Sp. z o.o.
Catermed S.A.	Poland	Krokus Private Equity Sp. z o.o.	Naprzod SA	February 2017	n/d	64.2	Naprzod SA, a Poland-based company provides maintenance services of real estate, including cleaning, maintenance of buildings and facilities, security services, catering and patient care services has acquired 64.2 % shareholding in Catermed S.A., a Poland-based catering company delivering meals to hospitals and clinics, assisted living facilities, schools, and kindergartens, from Krokus Private Equity Sp. z o.o, a Poland-based private equity firm for an undisclosed consideration.
Profim Sp. z o.o.	Poland	Innova Capital Sp. z o.o.	Triton Partners	February 2018	n/d	n/d	Flokk A.S., a Norway-based company engaged in the design, development, manufacture and sale of office chairs and seating solutions, and a portfolio company of Triton Partners, the UK-based private equity firm, has agreed to acquire Profim sp. z o.o., a Poland-based manufacturer and designer of office seating, from Innova Capital Sp zoo, the Poland-based private equity firm, and Mr. Ryszard Rychlik, Profim's Chairman, for an undisclosed equity consideration.
Magnetic MRO AS	Estonia	BaltCap	Guangzhou Hangxin Aviation Technology Co., Ltd.	January 2018	43	100	Guangzhou Hangxin Aviation Technology Co., Ltd., the China-based SZSE-listed company engaged in aviation maintenance and aircraft modification service, has agreed to acquire Magnetic MRO AS, the Estonia-based company providing aircraft maintenance and repair services, from an investor group led by BaltCap, the Estonia-based private equity firm, for cash consideration of EUR 43.17m (USD 51.99m).
Netrisk.hu	Hungary	Enterprise Investors Sp. z o.o.	MCI Capital S.A.	December 2017	56.5	100	MCI Capital S.A., a listed Poland-based private equity firm, has acquired Netrisk.hu Elso Online Biztositasi Alkusz Zrt., a Hungary-based online non-life insurance broker, from Enterprise Investors Sp. z o.o., a Poland-based private equity firm, for a consideration of EUR 56.5m.
S.C. Macon SA	Romania	Enterprise Investors Sp. z o.o.	Xella International GmbH	December 2017	n/d	n/d	Xella International GmbH, a Germany-based developer and manufacturer of building materials, has agreed to acquire S.C. Macon SA, a Romanian based producer of building materials, from Enterprise Investors Sp. z o.o., a Poland-based private equity, for an undisclosed consideration.
INEA S.A	Poland	Warburg Pincus LLC	Macquarie Group Limited	December 2017	n/d	Majority stake	Macquarie Infrastructure and Real Assets (MIRA), an Australia-based infrastructure asset manager and a subsidiary of Macquarie Group Limited, a listed Australia-based private equity firm, has agreed to acquire a majority stake in INEA S.A., a Poland-based operator of telecommunications and fibre-to-the-home (FTTH) network, from Warburg Pincus LLC, the US-based private equity and venture capital firm, for an undisclosed consideration.
BitDefender S.R.L.	Romania	Axxess Capital	Vitruvian Partners LLP	December 2017	n/d	30%	Vitruvian Partners LLP, the UK-based private equity firm, has agreed to acquire an approximately 30% stake in BitDefender S.R.L., a Romania-based company that develops security software solutions, from Axxess Capital, a Romania-based private equity and venture capital firm, for an undisclosed consideration.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
PHK	Poland	Black Pearls VC	n/d	December 2017	n/d	n/d	After nearly two and a half years, Black Pearls VC completed the investment in PHK, a company working – under Hem Poland brand – in the field of industrial hemp cultivation and processing.
ZeroTurnaround AS	Estonia	Western Technology Investment	Audax Private Equity Group	November 2017	n/d	n/d	Rogue Wave Software, Inc., the US-based provider of cross-platform software development tools and embedded components for high productivity computing applications and a portfolio company of Audax Private Equity Group, the US-based private equity firm, has acquired ZeroTurnaround AS, an Estonia-based company engaged in developing developer tools for creating quality software products, from Bain Capital LLC and Western Technology Investment, the US-based private equity firms, for an undisclosed consideration.

Fundraising

Company	Fund	Value (EUR m)	Status	Time	Description
Innova Capital	Innova/6 fund	194m	First close	April 2018	Innova Capital, a leading private equity fund in Central and Eastern Europe, has confirmed the first close of its Innova/6 fund at EUR 194m, thereby significantly exceeding the minimum target of EUR 150m. At the same time, within twelve months up to the first close, Innova has achieved as much as 60% of the hard cap set out at EUR 325m.
CEE Equity Partners	China-CEE Fund	800m (USD)	First closing	February 2018	The second phase of the China-CEE Fund was announced yesterday. The first closing on 22 February 2018 has secured commitments totalling USD 800 million, and a final total of USD 1 billion is targeted this year.
Estonia-based Tera Ventures	Tera Ventures Fund II	55m	Launch	January 2018	Estonia-based Tera Ventures has launched its second fund and is targeting up to €55m. Tera Ventures Fund II is expecting a first close early this year, with a final close coming later.
Value4Capital	V4C Poland Plus Fund	80m Hard Cap - 150m	Initial closing	January 2018	Value4Capital, the Poland and Central Europe focused mid-market private equity firm, announced that its V4C Poland Plus Fund has obtained over €80m in commitments in closings culminating on 25 January, 2018. Commitments include funds from EIF and EBRD as well as a substantial portion of capital from private Polish investors. V4C expects to hold its final close no later than November 2018. The Fund has a hard cap of €150m.
Espira Investments	Espira Fund I	30m	First closing	December 2017	ESPIRA Investments, a new private equity set up to make growth investments in central European SMEs, has reached a first close on its €30m debut fund.

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"Local deal doers are nurturing many of the region's maturing owner-managed businesses, while foreign investors – financial as well as trade – are increasingly looking to the region for some of the more established businesses. Their interest is testament to the successful businesses which have grown into leading, global companies, many under the stewardship of the region's local private equity houses."

Mark Jung, Partner, Private Equity Leader Deloitte Central Europe

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