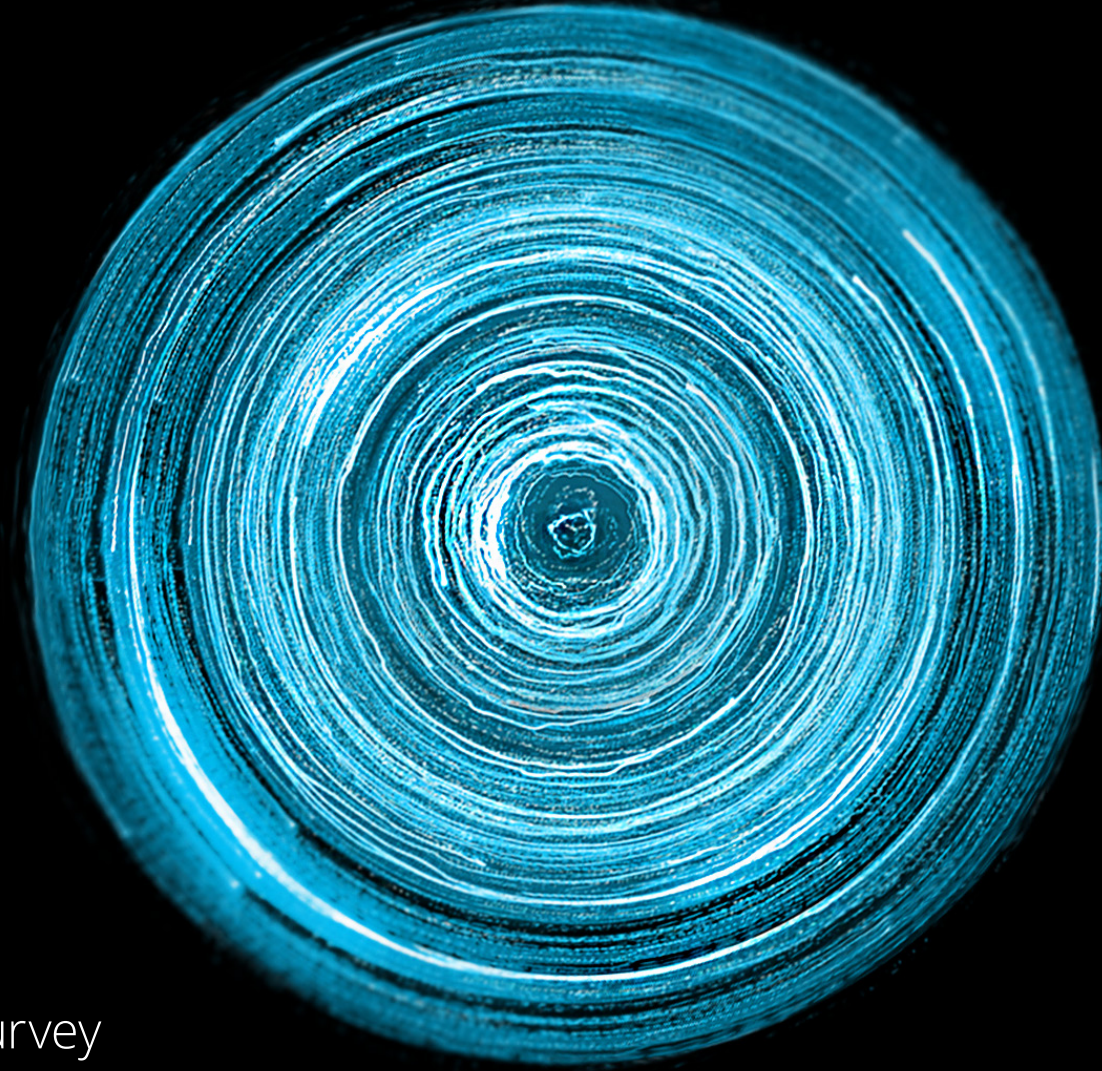


Deloitte.



Caution returns

Private Equity Confidence Survey
Central Europe

Winter 2018

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Introduction

The Central European (CE) private equity (PE) market may be reverting to its usual pace of activity following a prolonged period of large exits and fundraisings as well as strong levels of deal-doing. While we remain confident conditions remain conducive to transacting, respondents are hinting at some caution as we enter a less certain period politically and thus economically. This is reflected in economic expectations as well as our Index, which dropped to 105, its lowest level in three years.

CE's main trading partners, the EU and the US, are both in times of flux, with the former grappling with Brexit and what it will mean for the bloc, as well as Italy's 2019 draft budget. The US had just delivered divisive mid-term election results as this survey went out, and is battling over trade terms with China. The proportion of economic pessimists is thus growing, as has been the case since Spring 2017.

Despite this apparent caution, GDP growth in the CE economies is among the highest in the EU, with CE expected to end the year at 4.0%, while Q3 growth in the eurozone reached a five-year low of 0.2%¹. Slovakia, Poland and Bulgaria are expected to clock up over 3.5% next year, though the Czech Republic,

Croatia and Lithuania are all expected to grow at under 3.0%.

Exit activity continues apace, with the headline-hitting homeruns of 2017 giving way to a steadier flow of mid-market exits dominated by local players. They have continued to deliver divestments – 20 during our observation period – with Poland accounting for six, Lithuania hosting four and the Czech Republic three. BaltCap, Abris, MCI and Jet all delivered multiple exits for their investors.

The continued flow of exits is helping to drive fundraisings, with Mezzanine Management exceeding its target to reach a final close on €264m for its Fund IV. The fund attracted a fifth of its commitments from local investors, a fairly new development in the region and excellent vindication of CE's continued convergence with Western Europe. It also attracted a sizeable commitment from a major Asian investor for the first time. The China CEE Fund is deploying its latest fund, which held a first close in February 2018 on \$800m. BaltCap reached its €100m hard cap for its Infrastructure Fund over the summer and Jet Investment closed its latest fund on CZK 4bn (€153m) in October. Tera Ventures held a first close for its

second fund on €21m, putting it well on its way to its €55m target after launching in January. A new fund has been launched for the Baltics, with Lithuanian asset manager Invalda INVL seeking €200m for its INVL Baltic Sea Growth Fund to back Baltic businesses with revenues of €20-100m, with a first close on €100m expected by the end of this year. Other players to be on the fundraising trail include Innova, which held a first close in April for its latest vehicle; Value4Capital, which announced an €80m first close in January 2018 for its €150m Poland Plus fund, is expected to hold a final close on its latest fund in the coming months.

Progress on the fundraising trail should mean there is capital available to deploy into promising CE businesses. Respondents anticipate a continuation of activity levels, with three-quarters (75%) of respondents expecting no change, up from two-thirds (67%) in our last survey. Expectations of an uptick are at a six-year low, with just a tenth (11%) expecting activity to increase, down markedly from 31% in the Spring.

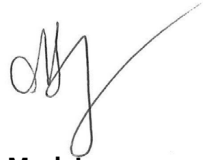
Financing these deals should remain possible on attractive terms, with 93% of respondents expecting

¹ <https://www.focus-economics.com/regions/euro-area>

liquidity levels to remain the same (82%) or increase (11%) over the next semester. Under a tenth (7%) expect funding to be less available over the coming months, down markedly from nearly a fifth (17%) in the last survey.

The prospects offered in CE remain alluring and so attract non-local players in addition to the region's core deal-doers. This summer saw Highlander Europe, a US-based growth backer, open its second office in the region, with a Romania presence added to its Warsaw office. The firm cited 'great promise' in the region as its reason for the opening.

Finding opportunities in this dynamic market and guiding them along their growth journey is a challenge as well as a privilege for the region's deal-doers. We look forward to working with them to transact tomorrow's success stories.



Mark Jung
Partner, Private Equity Leader
Deloitte Central Europe

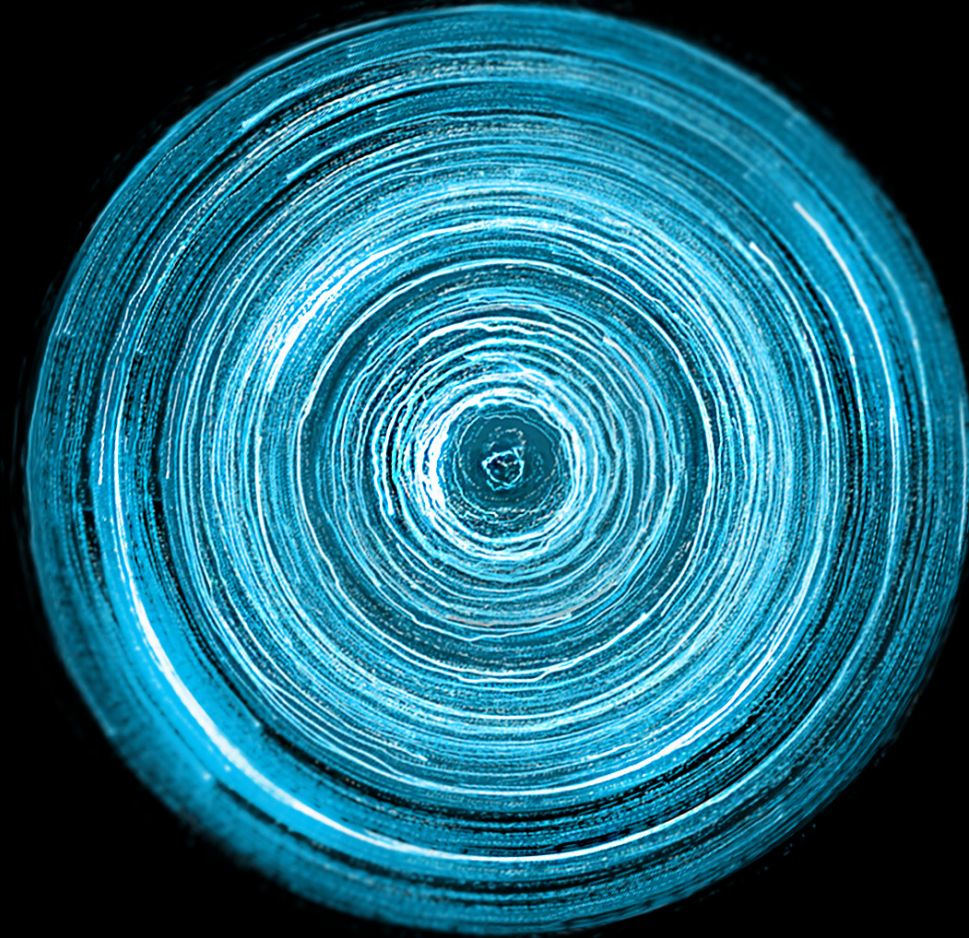


Central European Private Equity Index: Key findings

The private equity market in Central Europe has cooled somewhat following a bumper 2017 which was marked by large exits and fundraisings. The current market is one of mid-market opportunities, whether entries or exits, and a number of funds are being raised in this space.

The economic backdrop should remain the same, with three-quarters of respondents (75%) expecting it to continue (73%) or improve (2%). A quarter of respondents (25%) believe conditions will worsen over the coming months, up from a fifth (21%) last semester. This may have impacted the Index, which dropped to 105, its lowest level in three years. While confidence is faltering somewhat, conditions remain conducive to deal doing: Q3 growth has slowed but remains strong, forecast to grow at 3.4% in 2019, substantially faster than the eurozone, forecast to grow at 1.7% next year.²

The majority of respondents (75%) expect activity levels to continue, up from last survey, though just a tenth expect activity to increase, down from nearly a third (31%) in the Spring. Deals should be funded by the region's liquid leverage markets, with 82% expecting current liquidity to be maintained and another tenth (11%) expecting it to increase further. Capital for investment is expected to compete most intensely for market leaders, with 64% expecting these businesses to be the most sought-after. While they are the perennial hotspot for investment, this survey's response is the highest in two years.



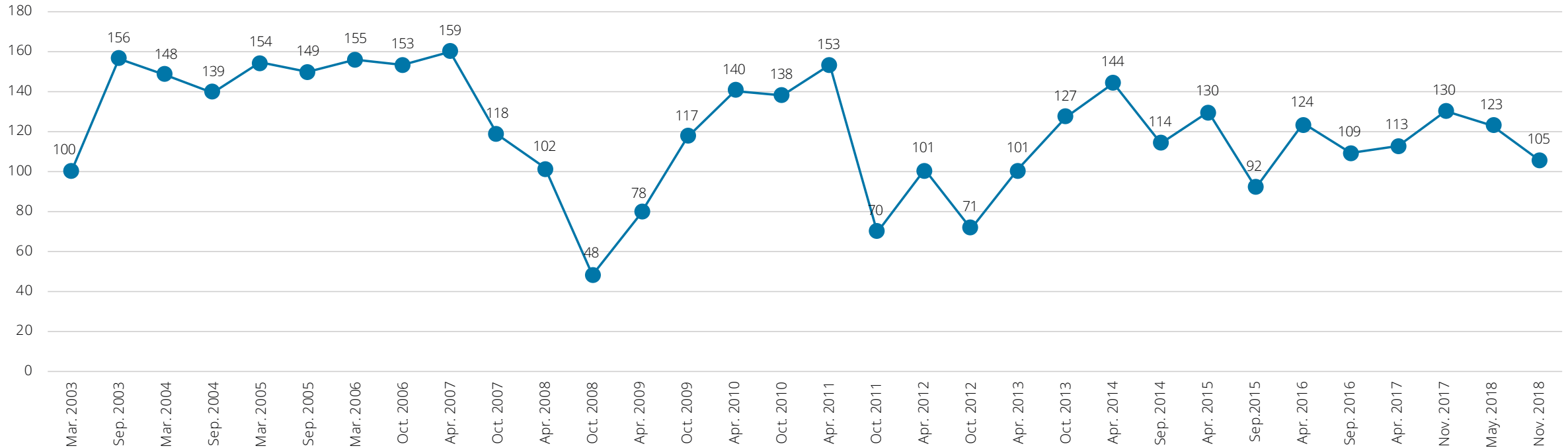
² <https://www.focus-economics.com/countries/eurozone>

The Index accelerated its decline to end at 105, the lowest level in three years. The drop reverses the 18-month rally seen between Autumn 2016 and Spring 2018, when rising confidence saw the Index remain above its ten-year average.

Confidence is often based on economic expectations and reflected in other Index metrics, such as the outlook for market activity and the balance of deal-doing versus portfolio management. However in this survey, we find that the

confidence decline is sharper than the downturn in prospects for these other markers. For example, a quarter of respondents expect economic conditions to decline over the coming months, whereas in our previous survey, the proportion of pessimists doubled from a tenth to a fifth (see page 7). The latest shift is gentler, though the Index's slide steeper. An area where the Index's fall is reflected is in expectations of portfolio management, which has increased, as tends to be the case when confidence dips (see page 9).

Central Europe PE Confidence Index



Survey Results

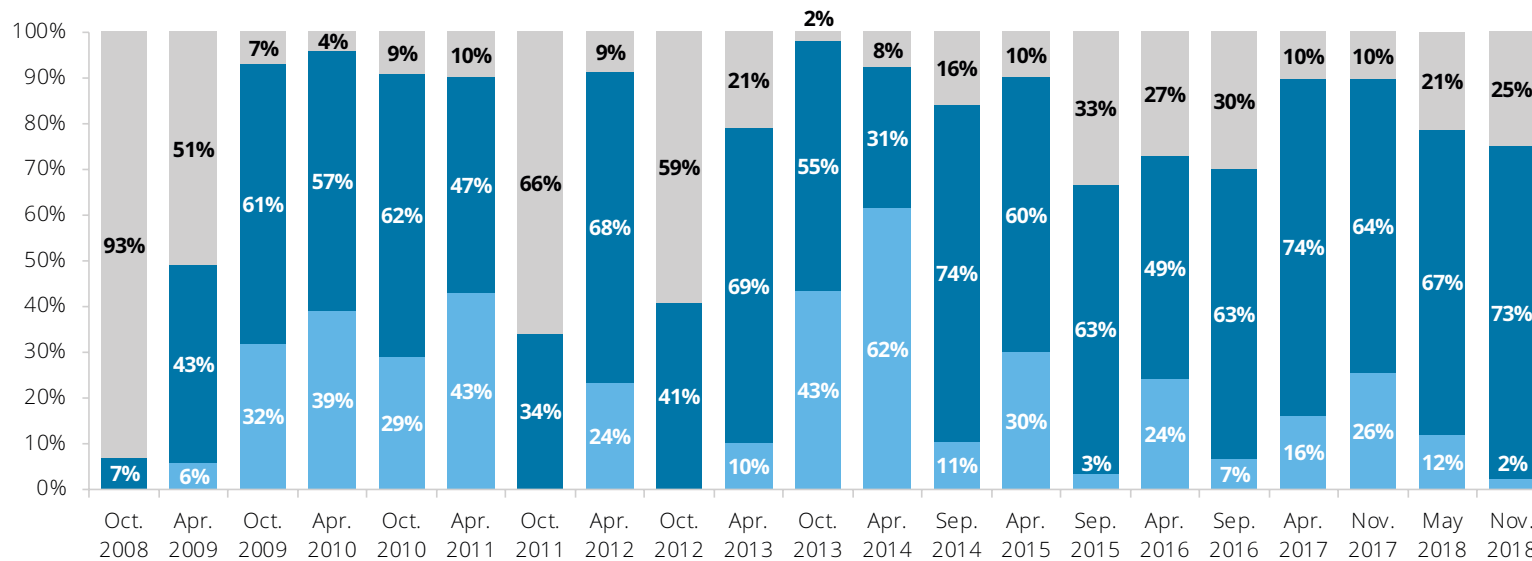
Economic climate

Deal-doers expect the current economic backdrop to be maintained, with three-quarters of respondents (75%) expecting it to remain the same (73%) or improve (2%).

Hopes for an improvement have abated, with a quarter of respondents (25%) anticipating conditions to worsen over the coming months, up from a fifth (21%) last semester.

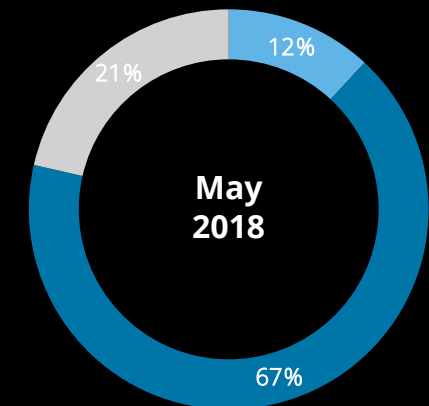
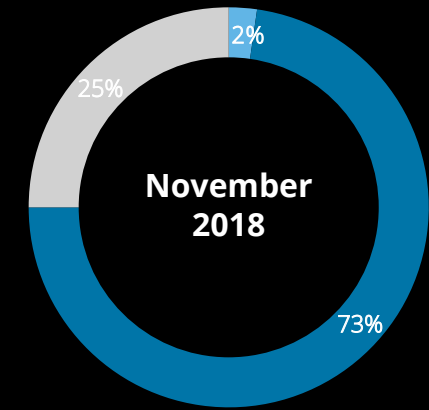
The proportion of pessimists has been growing since Spring 2017, and indeed economic growth has slowed in the last few months following a strong run: Q3 growth stood at 3.8%, the slowest level of growth for the region in nearly two years, and down from 4.2% in Q2³. While slowing, GDP growth in the CE economies is among the highest in the European Union, with Q3 growth in the eurozone at a five-year low of 0.2%⁴. CE is forecast to end the year at 4.0%, with expectations that 2019 will be nearer 3.4%. Slovakia, Poland and Bulgaria are expected to clock up over 3.5% next year, while the Czech Republic, Croatia and Lithuania are all expected to grow at under 3.0%.

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



³ <https://www.focus-economics.com/regions/central-and-eastern-europe#>
⁴ <https://www.focus-economics.com/regions/euro-area>

Economic climate (May 2018 vs November 2018)



- Improve
- Remain the same
- Decline

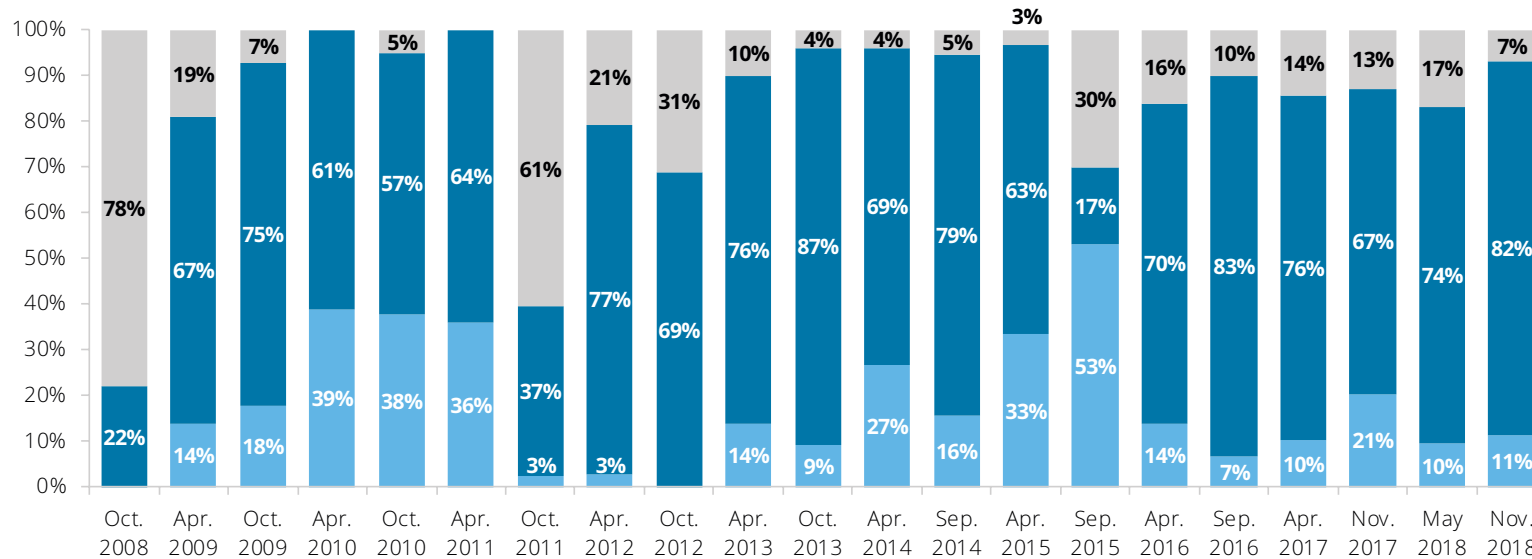
Debt availability

Deal-doers are increasingly confident of securing debt finance for deals, with 93% of respondents expecting liquidity levels to remain the same (82%) or increase (11%). Under a tenth (7%) believe funding will be less available over the coming months, down markedly from nearly a fifth (17%) in the last survey.

Leveraged loan volumes for Europe as a whole are on target to match the heady levels seen in 2017. More than €20bn was put to work in Q3 alone, with M&A accounting for the lion's share (83%)⁵. Private equity accounts for much of this, particularly large deals which command high levels of interest from banks and private debt funds. The first half of the year saw a high number of sizeable deals, which is boosting full-year figures, though Q3 saw a slowdown as fewer

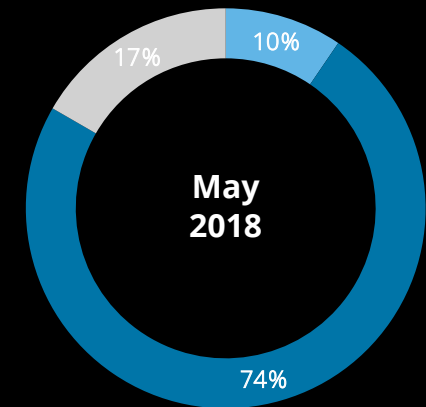
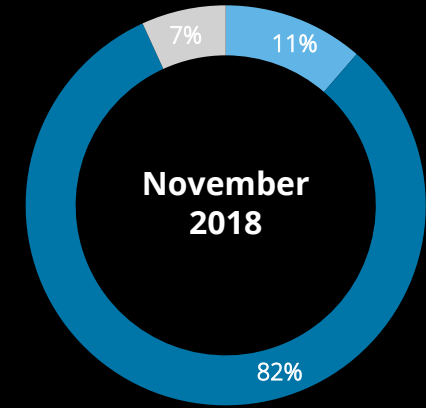
large transactions took place. It may be a natural reduction as such deals are infrequent by nature; it may also be concerns over the political backdrop in Italy as well as lingering Brexit uncertainty putting the brakes on deals.

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



⁵ <http://marlboroughpartners.com/marlborough-partners-q3-2018-report/>

Debt availability (May 2018 vs November 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.

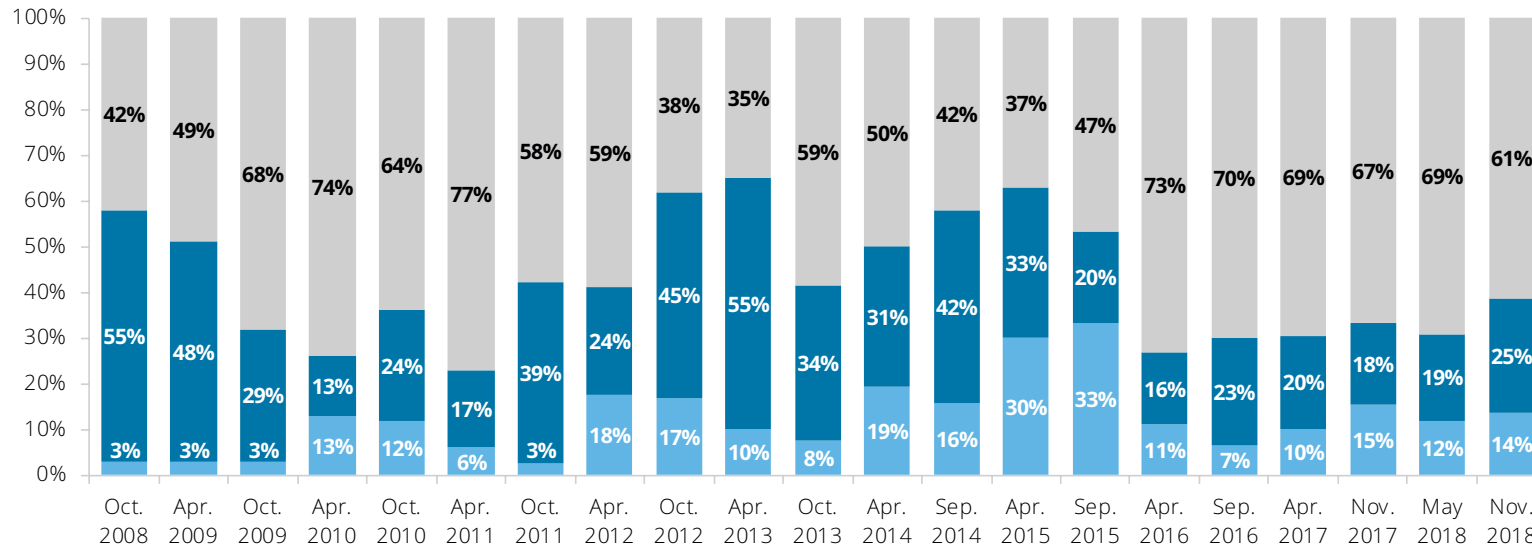
Most deal doers still expect to focus mostly on new investments over the coming months, as has been the case since the April 2016 survey. With GDP growth still strong in most of the region and financing available for deals, this is unsurprising.

It is notable that a quarter of respondents (25%) expect to focus mostly on portfolio management, up from 19% in the last survey. Portfolio management tends to take precedent in defensive times – for example in the post-Lehman days of late 2008, a staggering 55% expected to focus on existing investments rather than seeking out new ones. While the backdrop in CE remains strong, it may be that the EU's political uncertainty as a whole as well as concerns over trade relations between the US and China – the former being a major market many CE businesses aspire to tap into – are seeing some deal-doers adopt a

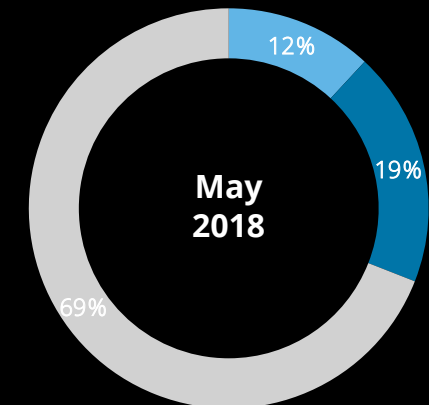
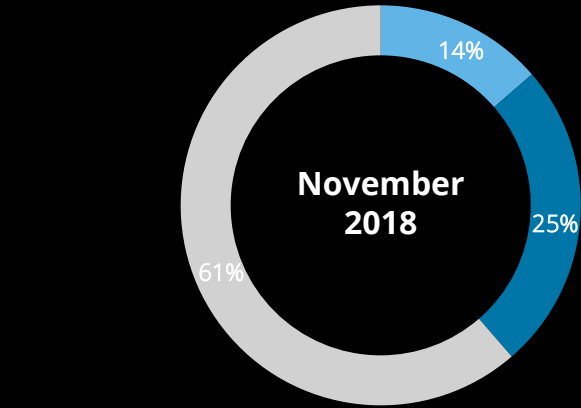
defensive mindset as they await some certainty in an increasingly uncertain world around them.

Fundraising will be a focus for 14% of respondents, and we've recorded a healthy number of fund announcement over the last six months. Just this month, Mezzanine Management closed its latest fund, AMC IV, on €264m, ahead of target and with 20% of capital coming from local investors – a real feat for CE. BaltCap reached its €100m hard cap for its Infrastructure Fund over the summer and Jet Investment closed its latest fund on CZK 4bn (€153m) in October. Tera Ventures announced a second vehicle, holding a first close on €21m towards its €55m target. The INVL Baltic Sea Growth Fund is a new fund launched by Lithuanian asset manager Invalda INVL and is seeking €200m to back Baltic businesses with revenues of €20-100m. The China-CEE fund held a first close in February 2018 on \$800m; Value4Capital announced an €80m first close in January 2018 for its €150m Poland Plus fund and is expected to hold a final close in the coming months.

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



Investors' focus (May 2018 vs November 2018)



- Raising New Funds
- Portfolio Management
- New Investments

Size of transactions

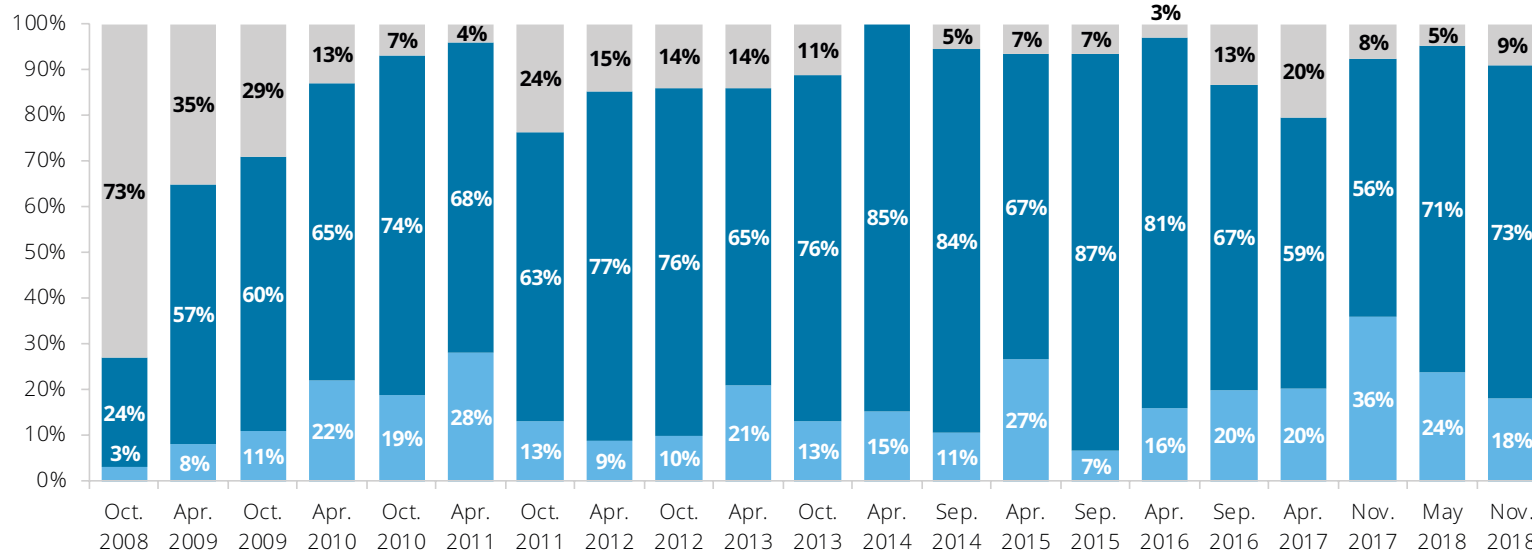
With nearly three-quarters of deal-doers (73%) expecting average deal sizes to remain the same for two consecutive quarters, it seems deal sizes are stabilising in CE. The figures come as we see a gentle softening in the proportion expecting sizes to increase from a quarter last survey (24%) to under a fifth (18%) this survey, alongside a commensurately soft increase in expectations of decreasing deal sizes (9%).

The number of respondents expecting deal sizes to increase has now fallen for three consecutive semesters, following two years of growing expectations. Rather than suggest a worsening in conditions, this likely reflects a return to normalcy following an unusual number of large deals in 2017 which distorted averages in a region typically known for its strong mid-market.

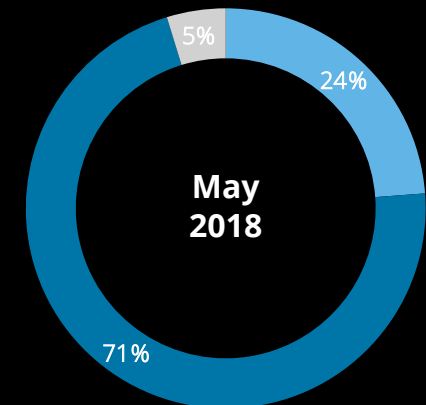
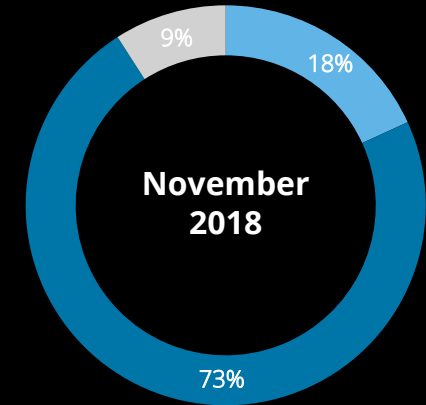
Mid-market deals over the last few months include Mid Europa's acquisition of logistics business Urgent Cargus from Abris; Enterprise Investors' acquisition of Croatian retailer Studenac, Livonia's acquisition of Freor from Mezzanine Management and Pollen Street Capital's acquisition of BIK Brokers from Syntaxis Capital.

With entry pricing high in private equity markets across Europe, investors are looking for innovative ways to add value, with consolidation plays high on some agendas. IK Invest has recently done this in Europe with the acquisition of four vehicle inspection businesses: Carspect in Sweden, A-Ulevaatus OU in Estonia, and a 51% stake in SIA Scantest of Latvia and Autotest Polska in Poland. The firm purchased the assets from Bridgepoint-backed A-Katsastus Group Oy, which is aiming to focus on its core Finnish market.

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



Size of transactions (May 2018 vs November 2018)



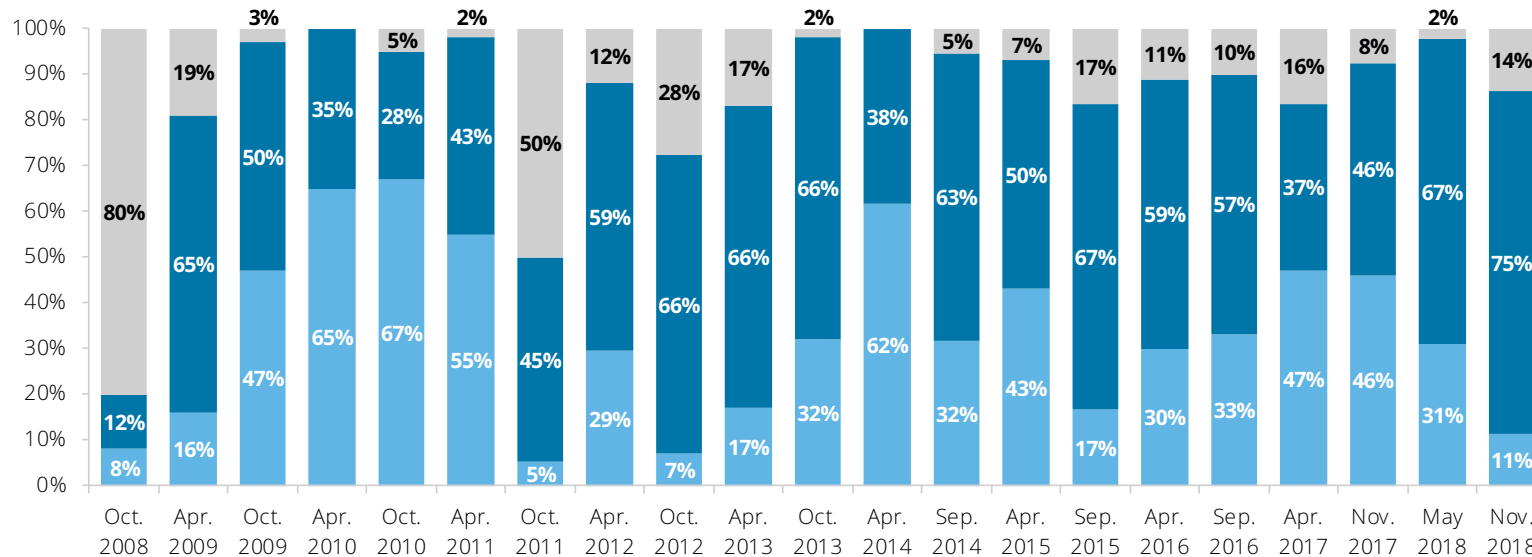
- Increase
- Remain the same
- Decrease

Market activity

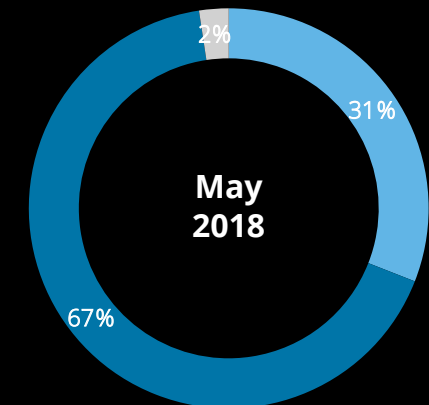
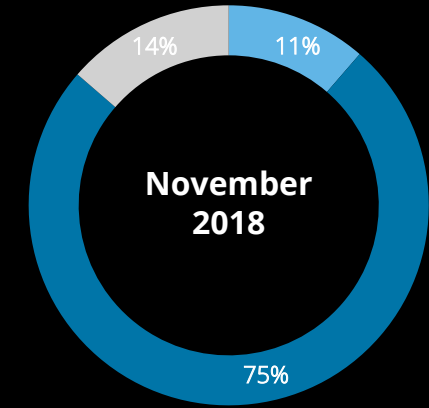
Market activity has stabilised according to three-quarters (75%) of respondents, up from two-thirds (67%) in our last survey and the highest level in the survey's history. Expectations of an uptick are at a six-year low, with just a tenth (11%) expecting activity to increase, down markedly from 31% in the Spring.

It is likely the expectation of increased activity levels recorded over the last 2.5 years was on the back of large fundraising successes for CE fund managers, with one week in September 2017 alone recording nearly €1bn amassed by two of the region's well-known investors. Indeed those backers have gone on to sign a number of deals – three each over our latest observation period – and others are putting money to work as well. It may thus be the dampened expectations currently recorded may reflect fewer headline-grabbing deals and funds in the region, rather than fears of a marked reduction – just 14% expect activity to decline.

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



Market activity (May 2018 vs November 2018)



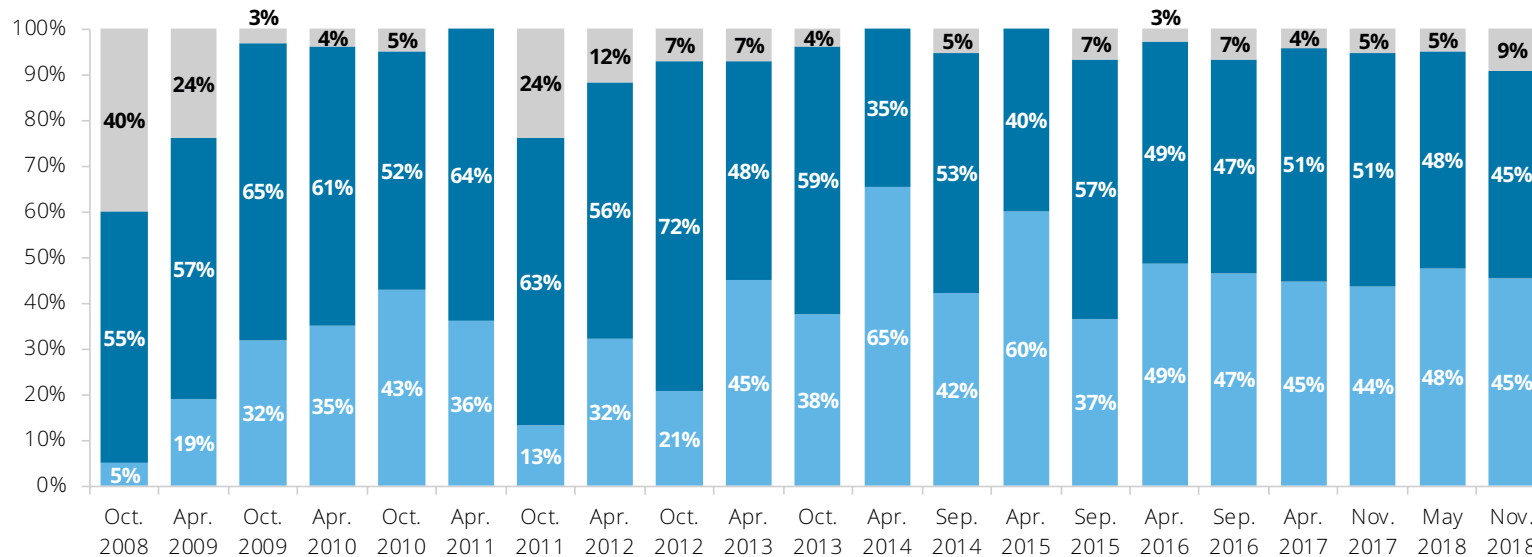
- Increase
- Remain the same
- Decrease

Investment return

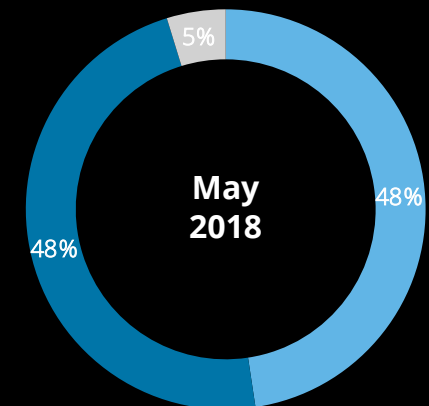
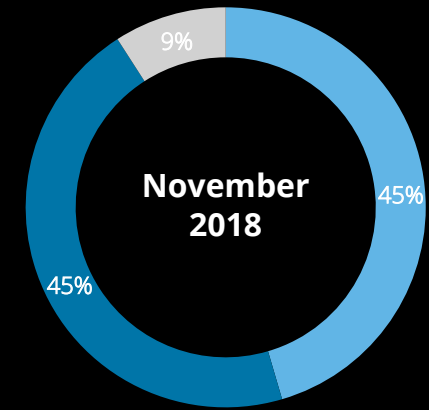
Respondents to the survey are upbeat about the efficiency of their financial investments, with 45% expecting them to improve and another 45% expecting no change from current conditions. Under a tenth (9%) expect a deterioration in efficiency; though low, it is up from 5% in the last survey.

The breakdown has been roughly the same for the last three years, suggesting a belief that the current backdrop of liquid leverage markets and benign economic conditions – thus far, in CE – are set to endure. The gentle increase in respondents expecting efficiency to decline may reflect uncertainty around political and thus economic conditions across wider Europe, as reflected in our economy question (see page 7).

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



Investment return (May 2018 vs November 2018)



- Improve
- Remain the same
- Decline

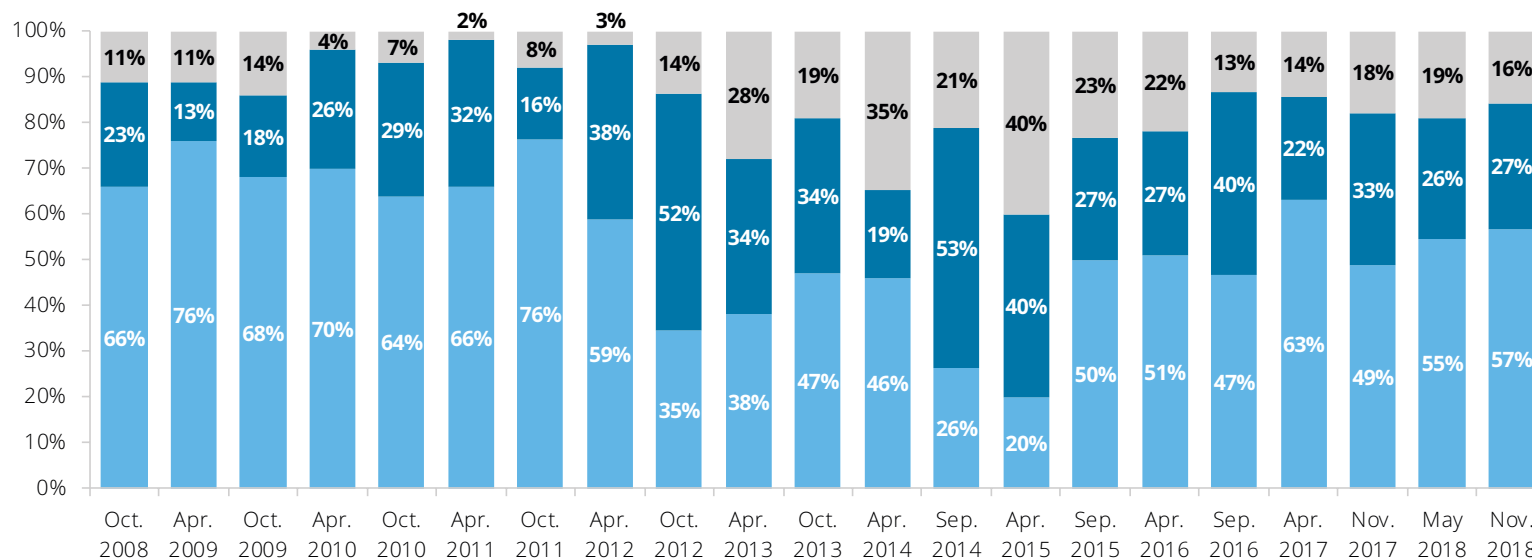
Investors' activities

For more than a year now, deal-doers in the region expect to buy more than they sell in the coming months, with the proportion currently standing at 57%. Just over a quarter (27%) expect to buy and sell equally, flat on the last survey, while 16% expect to focus on divesting, down gently on 19% in the Spring survey.

Enthusiasm for deployment may be because a number of funds have announced first or final closes in the last 18 months and leverage remains available for backing deals, creating robust conditions for deal-doing.

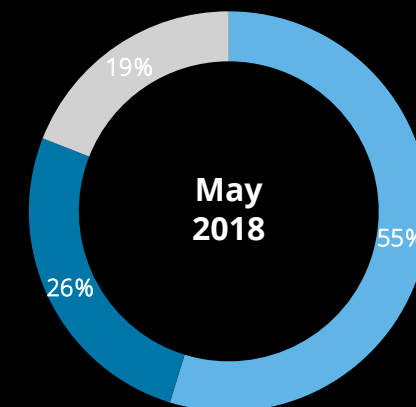
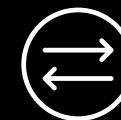
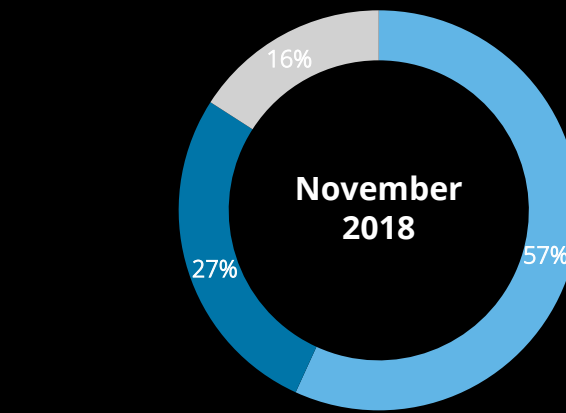
Abris, which closed its latest fund on €500m in September 2017, backed three new businesses in our observation period. The firm backed ITP, a Polish aesthetic medicine business; Polish warehousing and logistics business WDX, and CADM, a Polish automotive components maker. Enterprise Investors, which also closed a fund in September 2017, on €498m, also backed three new deals: Unilink, a Polish insurance business; Anwim, a Polish fuel-station operator, and Studenac, a Croatian retailer. BaltCap announced two new deals, Latvian power plant Energoeco and Kaarli Hambapolikliinik, a dental clinic in Estonia. Mid Europa Partners also backed two new businesses in the period, Urgent Cargus in Romania and JS Hamilton in Poland.

For this period, I expect to:



Exits were numerous during our observations period, which should help keep investors happy. Abris delivered a couple of divestments over the last six months, including the sale of Kopernikus Technology to Telekom Serbia following a two-year stewardship of the business. The buyout house also sold Romanian courier service Urgent Cargus in a secondary buyout to Mid Europa Partners for €150m. BaltCap delivered a hat-trick of divestments, all in Lithuania, including the trade sales of Tyrens and Caffeine Roasters to corporates as well as the sale of InMedica to a new private equity firm. MCI Capital sold two of its portfolio businesses to trade buyers: Polish payment processing business Dotcard was purchased by Danish trade buyer Nets, while Genomed, a Polish genetic diagnostics company, was sold by MCI to Polish medical laboratory chain Diagnostyka. Over the summer, CE's main mezzanine houses both announced exits: Mezzanine Management sold its stake in Lithuanian commercial refrigeration equipment producer Freor to Latvian PE Livonia Partners, while Syntaxis Capital sold Polish insurance services provider BIK to UK-based private equity house Pollen Street Capital.

Investors' activities (May 2018 vs November 2018)



- Buy more
- Buy and sell equally
- Sell more

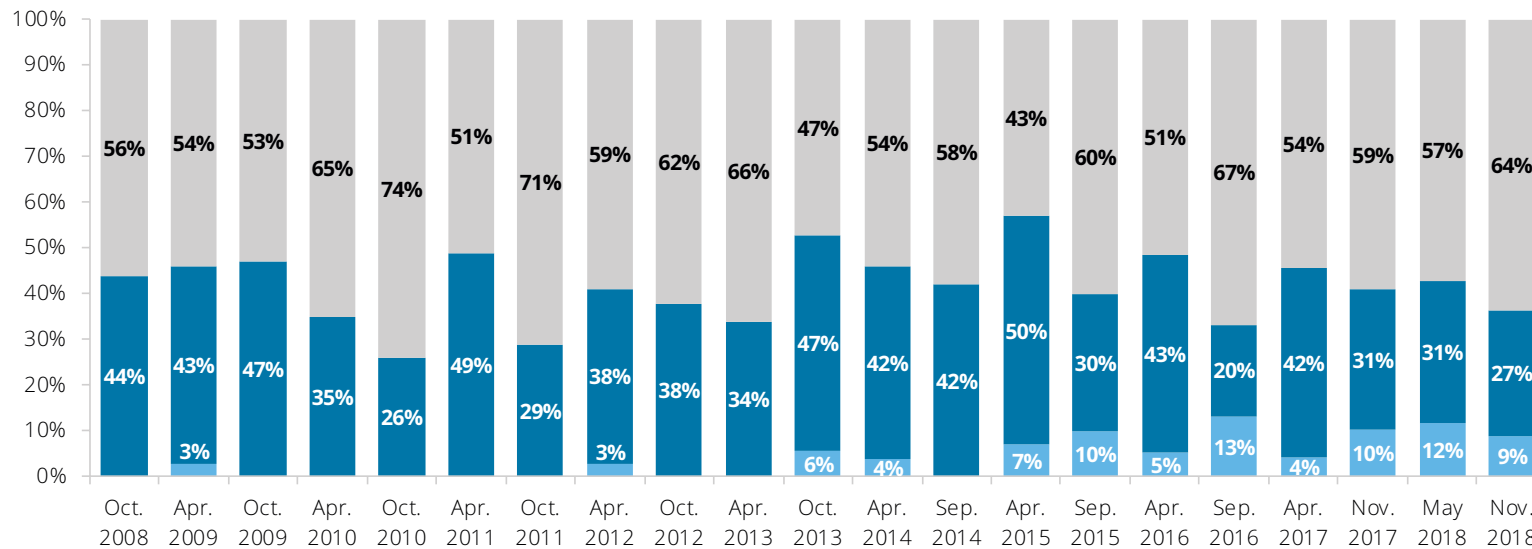
Competition for new investments

Market leaders have consolidated their position as the most hotly contested businesses in CE: nearly two-thirds of respondents (64%) expect these companies to be the most sought-after, up from 57% in the Spring. Their increase in popularity has been at the expense of mid-sized growing companies and start-ups, which both saw their perceived popularity slide gently: mid-sized growing companies were expected to be the most hotly contested by over a quarter of respondents (27%), down from 31% in the Spring, while start-ups dropped from 12% in the Spring to 9% now.

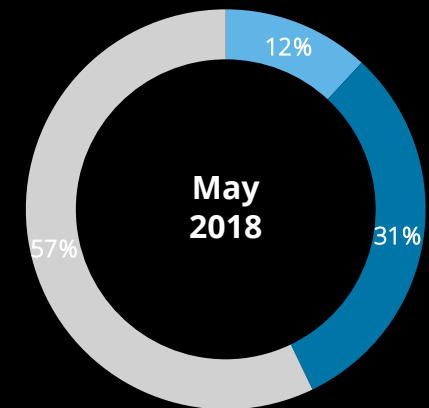
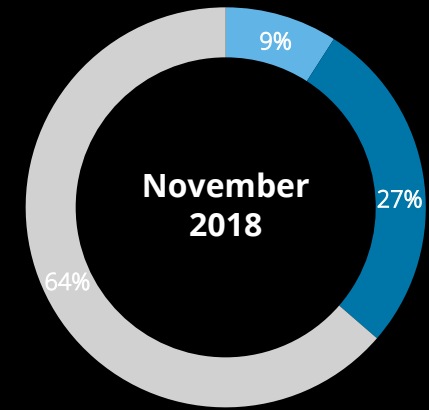
The competition surrounding market leaders is not surprising and it has been thus in all but two surveys in our over 14-year history. Such businesses tend to generate stable revenues and command a strong market share, making them better able to service debt. This can support higher prices as bidders are able to leverage their equity offers. It may also be that better-known

businesses attract a larger number of bidders as non-local players are more likely to seek market leaders rather than seemingly riskier deals in foreign geographies.

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



Competition for new investments (May 2018 vs November 2018)



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

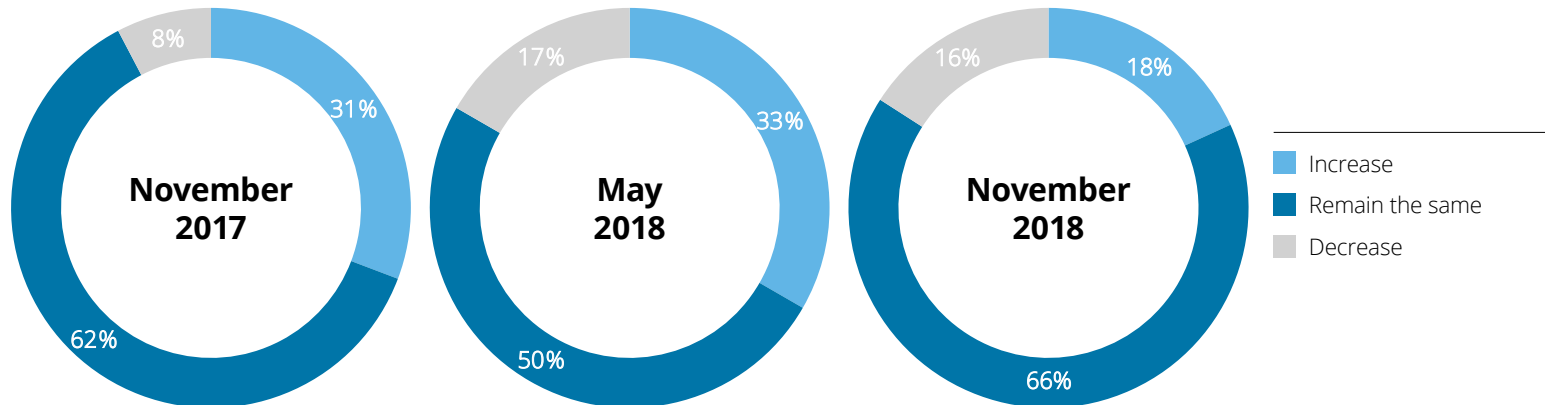
Vendor pricing

Vendors are expected to hold steady on their pricing expectations, with two-thirds of respondents (66%) expecting pricing to stay the same over the next 12 months, up from half (50%) in the Spring. This increase is offset by a decline in expectations of increasing pricing, which nearly halved from 33% in the Spring to 18% now.

The marked reduction in expectations of increasing pricing may come as music to the ears of deal-doers, who have faced upward pricing pressure on many deals as the supply of capital has risen on the back of more fundraising as well as liquid leverage markets. The flip side of that is that fewer

entrepreneurs may be tempted to put their business on the block if pricing doesn't match the expectations they have harboured over the last few bullish years.

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



Digitization

The overwhelming majority of deal-doers (80%) in CE do not appear to seriously consider digitization of a target company in their investment thesis, with 14% admitting it is not taken into account. Just a fifth make it a key factor influencing IRR estimation in an investment thesis of a deal.

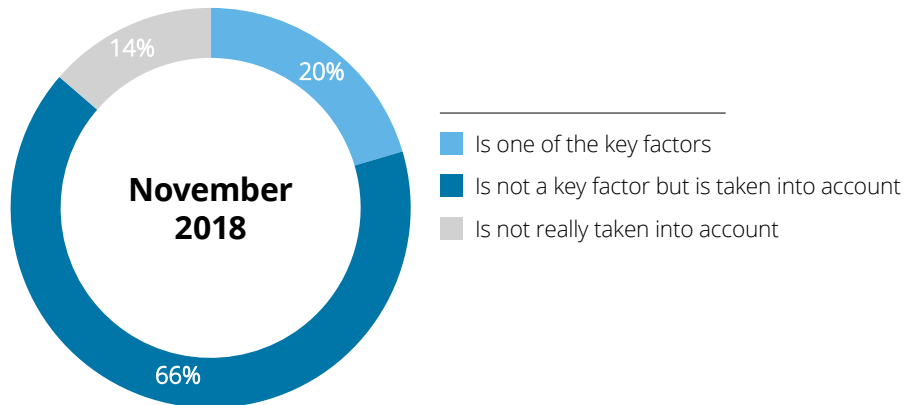
The findings are surprising, given the strong focus being put on the opportunity of digital by many firms in other regions, with many even appointing professionals for that specific purpose.

Digital enhancement of a business can often have transformational effects on a company; from enhancing user experiences and thus increasing customer conversion rates to providing client analytics for a business in terms of capturing and assessing data. In fact, the [MIT Sloan Management Review and Deloitte Digital Global Study](#) shows that digital businesses tend to be faster and more flexible than traditional business.

Digitally minded businesses also tend to have different corporate cultures which lend themselves to more experimentation, and are also better at attracting and retaining talent.

Given the positive impact of digital mind-set in businesses, it would be wise to consider this aspect when assessing target companies for investment. Underappreciation of this area by deal-doers may distort IRR estimates – and provide an under-tapped opportunity for value creation.

Digitization of a target company as a factor in the investment thesis influencing IRR estimation:



Deals watch

Investments

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Abris Capital Partners	Poland	CADM Automotive Sp. z o.o.	October 2018	9.85	51%	Abris Capital Partners, a Poland-based private equity firm, through its fund, Abris Mid-Market Fund III LP, has agreed to acquire 51% stake in CADM Automotive Sp. z o.o., a Poland-based manufacturer of individual components as well as entire modules and systems for the automotive sector, from Groclin S.A., the listed Poland-based company engaged in manufacturing car seat upholstery, for a consideration of PLN 42.5m (EUR 9.85m).
MCI Capital S.A.	Poland	IAI S.A.	October 2018	32.7 (PLN 140)	51%	MCI Capital S.A. has agreed to acquire a 51% stake for PLN 140m in IAI S.A, a listed Poland-based provider of software solutions to e-commerce companies. MCI Capital S.A., is a listed Poland-based listed private equity and venture capital firm, headquartered in Warsaw.
Tar Heel Capital	Poland	Aludesign Sp. z o.o.	October 2018	n/d	n/d	Tar Heel Capital, a Poland-based private equity firm has acquired Aludesign Sp. z o.o., a Poland-based company engaged in design and manufacturing aluminum products, for an undisclosed consideration. Tar Heel will implement a growth strategy under which it is expected to make additional potential acquisitions. Aludesign plans to invest in a machine park with the newly infused capital. The expansion of Aludesign's production capacity are expected to double its revenues in the next five years.
BaltCap	Latvia	Energoeco AS	October 2018	n/d	70%	BaltCap, an Estonia-based private equity and venture capital, through its fund, BaltCap Infrastructure Fund (BInF), has agreed to acquire a 70% stake in the combined heat and power plant, located in the Riga region, from Energoeco AS, a Latvia-based holding company having interest in woodchip-fired CHP plants, for an undisclosed consideration. With this investment BaltCap will be a step closer to achieve its goal to invest at least 40% of the fund into climate change mitigation projects.
Advent International Corporation	Czech republic	Zentiva Group a.s.	October 2018	1900	n/d	Advent International Corporation, the US-based venture capital and private equity firm has acquired Zentiva Group a.s., the Netherlands-registered, Czech Republic-based pharmaceutical company involved in development, manufacturing and marketing of drugs, from Sanofi SA, a listed France-based pharmaceutical company engaged in the research, development, manufacture and marketing of healthcare products, for an enterprise value of EUR 1.900bn.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
BaltCap	Estonia	Kaarli Hambapolikliinik OU	October 2018	n/d	n/d	BaltCap, an Estonia-based private equity and venture capital firm, through its holding company, DenCap Investments, has agreed to acquire Kaarli Hambapolikliinik OU, an Estonia-based dental care provider, for an undisclosed consideration. The transaction will support BaltCap's long-term strategy of expanding the clinics in DenCap's portfolio.
Mezzanine Management	Croatia	Optimapharm	October 2018	10	n/d	AMC Capital IV S.C.Sp, advised by Mezzanine Management, has committed EUR 10m of growth capital and minority equity to Optimapharm d.d. the leading Clinical Research Organisation in the Adriatic region.
PGE Ventures	Poland	IC- Solutions	October 2018	n/d	n/d	PGE Ventures, a CVC fund within the PGE Capital Group, invested in IC-Solutions - Poland-based company offering innovative IT solutions.
Mid Europa Partners LLP	Romania	Urgent Cargus S.A.	September 2018	150	100%	Mid Europa Partners LLP, the UK-based private equity firm, has agreed to acquire Urgent Cargus S.A., a Romania-based provider of courier, express and parcel services, from Abris Capital Partners, a Poland-based private equity firm, for an estimated consideration of EUR 150m. The transaction will enable Urgent Cargus to further develop the business and accelerate the growth with the help of Mid Europa's resources and expertise in the e-commerce segment.
The Carlyle Group	Poland	Willson & Brown WB Sp. z o.o. Sp.k.	September 2018	n/d	n/d	Array Canada Inc., a Canada-based company engaged in the providing of in store marketing services and a portfolio company of The Carlyle Group, a listed US-based private equity firm, has agreed to acquire Willson & Brown – WB Sp. z o.o. Sp. k. (W&B), a Poland-based designer and manufacturer of standard and individual displays, for an undisclosed consideration.
Blackstone Group LP	Estonia, Latvia and Lithuania	Luminor Group AB	September 2018	1000	60%	The consortium led by private equity funds managed by Blackstone Group LP, has agreed to acquire a 60% stake in Luminor Group AB, from Nordea AB and DNB ASA. Blackstone Group LP, is the listed US-based private equity firm, headquartered in New York. Luminor Group AB, is a Sweden-based holding company for the group of banks operating in Estonia, Latvia and Lithuania.
Equinox Investments ScpA	Poland	Eniro Polska Sp. z o.o.	September 2018	n/d	n/d	Equinox Investments ScpA, a Luxembourg-based private equity firm, has agreed to acquire Eniro Polska Sp. z o.o., a Poland-based subsidiary of Eniro AB, the listed Sweden-based provider of search and directory services in the digital and printed format, over mobile and telephone, from the company, for an undisclosed consideration.
3TS Capital Partners	Hungary / Sweden	Tresorit	September 2018	n/d	n/d	Tresorit, the Cloud Encryption and Collaboration company, which provides end-to-end encrypted file sync & sharing for businesses, announced that it has closed an €11.5M Series B financing from a consortium led by 3TS Capital Partners, a leading European growth capital investor.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Equitin	Poland	Kids&Co.	September 2018	n/d	n/d	Equitin invests in Kids&Co. – a leading operator of private kindergartens in Poland. The company operates 11 bilingual kindergartens and crèches across Poland. Together with the founder and management, Equitin will accelerate the company's development into the largest provider of early education services in Poland.
MCI Capital	Poland	ATM	September 2018	n/d	n/d	MCI will increase their stake in ATM, the leader in the data center market in Poland to 94.5%.
CapitalG, Sequoia Capital	Romania	UiPath	September 2018	n/d	n/d	UiPath, the leading Enterprise Robotic Process Automation (RPA) software company, has closed its series C funding raising \$225 million at a valuation of \$3 billion. The round was co-led by existing investor CapitalG and new investor Sequoia Capital. Accel, which led both UiPath Series A and B rounds also participated in this round.
BC Partners	Serbia	United Group	September 2018	n/d	n/d	Funds advised by BC Partners, a leading international investment firm, announced the signing of a definitive agreement whereby BC Partners will acquire majority ownership of United Group B.V. from KKR, a leading global investment firm. KKR will retain a substantial minority stake.
EBRD, INVL, Horizon Capital (HEIM Partners)	Moldova	Moldova Agroindbank	September 2018	23	41.09%	The EBRD, AB Invalda INVL and Horizon Capital have jointly acquired a 41.09% stake in Moldova Agroindbank in an auction run by Moldova's Public Property Agency. The investors formed a UK-based company called HEIM Partners to facilitate the deal.
AFINUM	Bosnia and Herzegovina	Sinkro	September 2018	n/d	Majority	COTTA Collection AG ("COTTA"), a portfolio company of AFINUM Siebte Beteiligungsgesellschaft mbH & Co. KG, advised by Munich-based AFINUM Management GmbH, acquires a majority stake in Sinkro d.o.o. Sarajevo ("Sinkro") located in Hrasnica, Sarajevo.
FSN Capital	Lithuania	Furniture1	September 2018	2.9 (SEK 30)	30%	Swedish online DIY retailer Bygghemma, backed by FSN Capital, has paid SEK 30m for a 30% stake in Vilnius-based furniture e-tailer Furniture1.
Livonia Partners	Lithuania	UAB Freor LT	August 2018	n/d	33%	Livonia Partners, a Latvia-based private equity firm, through its Livonia Partners Fund I, has acquired a 33% stake in UAB Freor LT, a Lithuania-based producer of commercial refrigeration equipment, from Accession Mezzanine Capital LP, the UK-based private equity fund, for an undisclosed consideration.
UAB LitCapital Asset Management	Lithuania	Audimas AB	August 2018	n/d	60%	UAB LitCapital Asset Management, a Lithuania-based private equity firm, has acquired a 60% stake in Audimas AB, a Lithuania-based sportswear manufacturer and retailer, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
Triton Partners	Lithuania	KMK Projekts, SIA	August 2018	n/d	n/d	AVS Verkehrssicherung GmbH, a Germany-based provider of traffic safety equipment and services and a portfolio company of Triton Partners, a UK-based private equity firm, has acquired KMK Projekts, SIA, a Latvia-based provider of traffic safety products and permanent road marking, for an undisclosed consideration.
Innovation Nest, TDJ Pitango, Market One Capital	Poland	CallPage	August 2018	n/d	n/d	CallPage, a Poland-based system enabling direct contact with a potential client within 28 seconds, raised \$4m series A funding from TDJ Pitango Ventures, Innovation Nest, and Market One Capital.
Resource Partners	Poland	Golpasz	August 2018	n/d	Increased stake to 85%	Resource purchased additional shares in Golpasz, a Polish farm animal feed company it has backed since 2015, increasing its stake from 67% to 85%.
Sprints Capital, Insight Venture Partners, Hubert Burda Media Group	Lithuania	Vinted	August 2018	50	Minority	Sprints Capital has led a €50m series-D round for Vinted, a Lithuania-based online marketplace for second-hand clothing. The deal saw existing backers Insight and Hubert Burda Media Group also invest, with the deal valuing the business at €225m.
Pollen Street Capital	Poland	BIK Brokers Sp. z o.o.	July 2018	n/d	n/d	Pollen Street Capital, the UK-based private equity firm, along with the management of BIK Brokers Sp. z o.o., a Poland-based provider of insurance brokerage services, has acquired the company, from Syntaxis Capital U.F.B. GmbH, an Austria-based mezzanine capital provider and investment firm, in a management buyout transaction, for an undisclosed consideration.
Enterprise Investors Sp. z o.o.	Poland	Unilink S.A.	July 2018	n/d	38%	Enterprise Investors Sp. z o.o., a Poland-based private equity and venture capital firm, has agreed to acquire a 38% stake in Unilink S.A., a Poland-based insurance multiagency, for an undisclosed consideration. Enterprise Investors will make the acquisition through its Polish Enterprise Fund VIII fund. With the transaction, Unilink intends to become the largest insurance distribution company in the CEE region.
Abris Capital Partners	Poland	ITP S.A.	July 2018	n/d	51%	Abris Capital Partners, a Poland-based private equity firm, through its Abris CEE Mid-Market Fund III LP has acquired a 51% stake in ITP S.A., a Poland-based distributor and producer of soft tissue fillers and organic cosmeceuticals, aesthetic medicine devices, and equipment for wellness and fitness sectors, for an undisclosed consideration. The acquisition will support ITP to expand its business in aesthetic medicine market internationally including China and USA.
Cornerstone Partners Sp. z o.o., Oaktree Capital Management LP	Poland	Solid Brain Sp. z o.o.	July 2018	n/d	n/d	IT Kontrakt Sp. z o.o., a Poland-based company engaged in recruitment and outsourcing of IT professionals and a portfolio company of Oaktree Capital Management LP, the listed US-based diversified investment firm and Cornerstone Partners Sp. z o.o., a Poland-based venture and private equity firm, has acquired an undisclosed majority stake in Solid Brain Sp. z o.o., a Poland-based company engaged in recruitment and outsourcing of IT professionals, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
ARX Equity Partners	Hungary	TMX Mobile Solution Szervis Kft	July 2018	n/d	n/d	ARX Equity Partners, Czech-based private equity firm, along with the management of TMX Mobile Solution Szervis Kft, a Hungary-based provider of mobile device repair services, has acquired the company in a management buyout transaction, from Mr Balazs Kotanyi, a Hungary-based private individual, for an undisclosed consideration.
J.C. Flowers & Co., EBRD	Romania	Piraeus Bank	July 2018	n/d	95.1%	Private equity firm J.C. Flowers & Co and the EBRD have completed the acquisition of the Romanian subsidiary of the Greek Piraeus Bank, in a move to strengthen Romania's banking sector. The EBRD is purchasing a 19 per cent stake, while J.C. Flowers & Co is buying 76.1 per cent of shares in the company's first investment in Romania. The remaining 4.9 per cent of shares will be acquired by the lender's management.
Enterprise Investors	Poland	Anwim	July 2018	n/d	n/d	Polish Enterprise Fund VIII, a private equity fund managed by Enterprise Investors, has signed a term sheet based on which it will acquire a significant minority stake in Anwim, one of the largest independent operators of fuel stations in Poland, trading under the MOYA brand.
Abris Capital Partners	Poland	WDX	July 2018	n/d	Majority	Abris Capital Partners has acquired Polish warehousing and logistics business WDX, for undisclosed consideration.
Axcel Management A/S	Sweden, Czech republic	Loopia AB, Active 24 s.r.o.	June 2018	n/d	n/d	Axcel Management A/S, a Denmark-based private equity firm has acquired ACTIVE 24 s.r.o., the Czech Republic-based company engaged in website hosting services and Loopia AB, a Sweden-based web hosting company, from Visma AS, a Norway-based company engaged in providing software solutions and services, for an undisclosed consideration.
Vaekstfonden	Hungary, US	OptoForce Ltd., Perception Robotics	June 2018	n/d	n/d	Vaekstfonden, a Denmark-based private equity firm and Enrico Krog Iversen, a Denmark-based private investor, has acquired OptoForce Ltd., a Hungary-based developer of 3D force sensors and elastic actuators and Perception Robotics, the US-based developer of touch and vision-based sensing solutions for modern industrial robots and next-generation assistive robots, for an undisclosed consideration.
Enterprise Investors Sp. z o.o.	Croatia	Studenac Ltd.	June 2018	n/d	100%	Enterprise Investors Sp. z o.o., a Poland-based private equity and venture capital firm, has agreed to acquire Studenac Ltd., a Croatia-based company having its chain of retail shops, supermarket & warehouses, from Mr. Josip Milavic, a Croatia-based private individual, for an undisclosed consideration.

PE House	Country	Company	Period	Est. Value EUR m	Stake	Description
IK Investment Partners Ltd.	Sweden, Poland, Estonia	Carspect AB, Autotest Polska Sp. z o.o, A-Ulevaatus OU	June 2018	n/d	51%	IK Investment Partners Limited, a UK-based private equity firm, through its IK Small Cap II Fund, has agreed to acquire Carspect AB, a Sweden-based vehicle inspection company, A-Ulevaatus OU, an Estonia-based vehicle inspection company and a 51% stake in both SIA Scantest, a Latvian-based company that operates nine vehicle inspection centers, and Autotest Polska Sp. z o.o., a Poland-based company that operates vehicle inspection centers and, from A-Katsastus Oy, a Finland-based vehicle inspection company engaged in providing vehicle registrations services and conducts statutory driver's examinations, for an undisclosed consideration.
Daimler (lead), Korelya Capital	Estonia	Taxify	May 2018	150 (\$175)	Minority	Daimler has led a \$175m round of funding for Estonian ride-sharing app Taxify. The deal sees Korelya Capital and Taavet Hinrikus, founder of Transferwise, also invest in the business, which is now valued at over \$1bn.

Selected Exits

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Kopernikus Technology	Serbia	Abris Capital Partners	Telekom Serbia	November 2018	n/d	n/d	Abris CEE Mid-Market Fund III acquired a majority stake in Kopernikus Technology at the end of 2016. Since then, the company has invested heavily in expansion and service quality. Prior to the sale to Telekom Serbia, Kopernikus Technology was the leading consolidator of Serbia's cable sector, having acquired and successfully integrated 20+ smaller cable TV service providers.
InMedica	Lithuania	BaltCap	INVL Baltic Sea Growth Fund	October 2018	n/d	54%	BaltCap has entered into an agreement to sell its 54% holding in InMedica to BGSF Sanus, a subsidiary of asset management company Invalda INVL. BGSF Sanus will transfer the investment to the INVL Baltic Sea Growth Fund when the fund starts its investment activity.
Polskie Koleje Linowe S.A.	Poland	Mid Europa Partners LLP	PFR Ventures Sp. z o.o.	October 2018	n/d	99.8%	Mid Europa Partners LLP, the leading private equity investor in Central and Eastern Europe, announced that it has entered into an agreement to sell its holding company which owns 99.8% of Polskie Koleje Linowe ("PKL" or the "Company") to the Polish Development Fund ("PFR"). The transaction, which represents the largest private equity exit in the mountain leisure & tourism sector in Poland, is subject to inter alia customary competition authority clearance and is expected to close later this year.
Caffeine Roasters	Lithuania	BaltCap	Reitan Convenience Norge	October 2018	n/d	n/d	Reitan Convenience Norge, a Norway-based operator of convenience stores, has agreed to acquire Caffeine Roasters, a Lithuania-based operator of a chain of coffee shops, from BaltCap, an Estonia-based private equity and venture capital firm, for an undisclosed consideration.
Urgent Cargus S.A.	Romania	Abris Capital Partners	Mid Europa Partners LLP	September 2018	150	100%	Mid Europa Partners LLP, the UK-based private equity firm, has agreed to acquire Urgent Cargus S.A., a Romania-based provider of courier, express and parcel services, from Abris Capital Partners, a Poland-based private equity firm, for an estimated consideration of EUR 150m. The transaction will enable Urgent Cargus to further develop the business and accelerate the growth with the help of Mid Europa's resources and expertise in the e-commerce segment.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Fincentrum a.s.	Czech republic	ARX Equity Partners	Swiss Life AG	September 2018	n/d	n/d	Swiss Life AG, a listed Switzerland-based provider of life insurance and pension solutions and services, has agreed to acquire Fincentrum a.s., a Czech Republic based company engaged in the provision of financial advisory services, from ARX Equity Partners, a Czech Republic-based private equity firm, Capital Dynamics AG, a Switzerland-based asset management firm that invests in private equity funds and clean energy infrastructure, Petr Stuchlik and Martin Nejedly, the Czech Republic-based private investors, for an undisclosed consideration.
United Group	Serbia	KKR	BC Partners	September 2018	n/d	n/d	Funds advised by BC Partners, a leading international investment firm, announced the signing of a definitive agreement whereby BC Partners will acquire majority ownership of United Group B.V. from KKR, a leading global investment firm. KKR will retain a substantial minority stake. United Group is the leading media and communication services provider across South East Europe.
UAB Freor LT	Lithuania	Accession Mezzanine Capital LP	Livonia Partners	August 2018	n/d	33%	Livonia Partners, a Latvia-based private equity firm, through its Livonia Partners Fund I, has acquired a 33% stake in UAB Freor LT, a Lithuania-based producer of commercial refrigeration equipment, from Accession Mezzanine Capital LP, the UK-based private equity fund, for an undisclosed consideration.
Wydawnictwa Szkolne i Pedagogiczne Spolka Akcyjna	Poland	Advent International Corporation	Central Group	August 2018	n/d	n/d	Central Group, a Hungary-based company having interest in magazine and online publication companies, has agreed to acquire Wydawnictwa Szkolne i Pedagogiczne Spolka Akcyjna (WSiP), a Poland-based publishing company, from Advent International Corporation, the US-based venture capital and private equity firm, for an undisclosed consideration.
Ha Serv OU	Estonia	Livonia partners	Thermory AS	August 2018	n/d	n/d	Thermory AS, an Estonia-based producer of thermally modified hardwoods, has agreed to acquire Ha Serv OU, an Estonia-based manufacturer of wooden sauna components, ready-made saunas, and thermo-treated wood materials, from Livonia Partners, the Latvia-based private equity firm, for an undisclosed consideration.
UAB Kelprojektas	Lithuania	BaltCap	Tyrens AB	July 2018	n/d	n/d	Tyrens AB, the Sweden-based provider of urban planning and infrastructure consulting services has acquired UAB Kelprojektas, the Lithuania-based transport infrastructure engineering company, engaging in designing transport communications, public buildings, and utility networks, from BaltCap, the Estonia-based private equity and venture capital firm, for an undisclosed consideration.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
Obrovac Wind Project	Croatia	Enercap Capital Partners Limited	n/d	July 2018	n/d	n/d	An undisclosed bidder has acquired an undisclosed stake in the Croatia-based wind project from Enercap Capital Partners Limited, the Czech Republic-based private equity firm, for an undisclosed consideration.
BIK	Poland	Syntaxis Capital	Pollen Street Capital	July 2018	n/d	n/d	Pollen Street Capital, a global independent alternative asset investment management company focused on the financial and business services sectors, has acquired a majority stake in BIK, a leading Polish insurance services provider from Syntaxis Capital.
Kordarna Plus a.s.	Czech republic	Jet Investment a.s., PROSPERITA holding a.s., Proxy-finance a.s.	Indorama Ventures Public Company Limited	June 2018	n/d	n/d	Indorama Ventures Public Company Limited, the listed Thailand-based company engaged in the manufacture and sale of polyethylene terephthalate, polyester fiber and wool yarn, has agreed to acquire Kordarna Plus a.s., the Czech Republic-based producer of technical fabrics for the rubber industry, from Jet Investment a.s., the Czech Republic-based private equity firm, Proxy-Finance a.s., Czech Republic-based principal financial company and Prosperita Holding a.s., the Czech Republic-based company which operates as an investment group, for an undisclosed consideration.
Less & Timber a.s.	Czech republic	Jet Investment a.s.	Prosperita holding a.s.	June 2018	n/d	n/d	PROSPERITA holding a.s., the Czech Republic-based investment group, has acquired LESS & TIMBER a.s., the Czech Republic-based processor of high quality logwood, from Jet Investment a.s., the Czech Republic-based private equity firm, for an undisclosed consideration
Dotcard Sp. z o.o.	Poland	MCI Capital S.A.	Nets A/S	June 2018	73 (PLN315)	n/d	Nets A/S has agreed to acquire Dotcard Sp. z o.o. formed by the merger of eCard and Dotpay SA, from MCI Capital S.A. Nets A/S, a listed Denmark-based company, headquartered in Ballerup, provides payments, cards and information services. Dotcard Sp. z o.o., a Poland-based company, headquartered in Masovian, is engaged in providing online payment solutions. eCard and Dotpay are Poland-based companies engaged in providing online payment solutions.
TriGranit Development Corporation	Hungary	TPG Capital LP	Goldman Sachs Asset Management L.P., Revetas Capital Advisors LLP	June 2018	n/d	n/d	Revetas Capital Advisors LLP, the UK-based real estate asset manager with focus on Central European economies along with Goldman Sachs Asset Management, L.P., the US-based asset management company has acquired TriGranit Development Corporation, a Hungary-based real estate investment, development, and management company, from TPG Capital LP, the US-based private equity firm, for an undisclosed consideration.

Company	Country	Seller	Buyer	Date	Value EUR m	Stake	Description
SC Fabryo Corporation SRL	Romania	ORESA Ventures N.V.	Akzo Nobel N.V.	June 2018	n/d	n/d	Akzo Nobel N.V., a listed Netherlands-based producer of paints and coatings and specialty chemicals, has agreed to acquire SC Fabryo Corporation SRL, a Romania-based producer of decorative lacquers and paints, from ORESA Ventures N.V., a Sweden-based private equity firm, for an undisclosed consideration.
Genomed S.A.	Poland	MCI Capital	Diagnostyka	June 2018	n/d	n/d	MCI.CreditVentures 2.0. FIZ, Polish investment fund from the MCI Capital TFI group, has sold all its shares in Genomed, a Polish genetic diagnostics company, to Polish medical laboratory chain Diagnostyka.
HTL-Strefa S.A.	Poland	EQT V	Investindustrial	May 2018	n/d	n/d	EQT V has agreed to sell HTL-Strefa S.A. to Investindustrial. Following the acquisition, HTL will be combined with PIC (www.picsolution.com), Artsana's healthcare business acquired by Investindustrial in 2016.

Fundraising

Company	Fund	Value (EUR m)	Status	Time	Description
Jet Investment	Jet II	153m (CZK 4bn)	Closed	October 2018	Jet Investment closed the subscription period of its second fund of qualified investors on October 31 after having subscribed the amount of 4 billion crowns. The Jet 2 Fund thus became the largest private equity fund in the Czech Republic open to a broader range of investors. The investment horizon of the fund is set from eight to ten years, the funds raised will be invested in private companies, particularly in the industrial sector in the Central and Eastern European region.
Tera	Tera Ventures Fund II	55m	First close on €21m	September 2018	Estonian GP Tera Ventures has held a first close on €21m for its latest fund, Tera Ventures II, targeting €55m and was launched in January 2018.
Invalda INVL	INVL Baltic Sea Growth Fund	200m	Launch	August 2018	Invalda INVL, a Lithuanian asset manager, has launched a fund to back businesses in the Baltics which generate revenues of €20-100m and are seeking regional expansion. The INVL Baltic Sea Growth Fund expects to hold a first close on €100m this year, and is targeting €200m with a €300m hard cap.
BaltCap	BaltCap Infrastructure Fund	100m	Final close	July 2018	BaltCap has reached its hard cap of €100 million (\$117 million) in a final close for BaltCap Infrastructure Fund (BlIF). With additional contributions from Citadele pension funds and existing investors, including the recent European Bank for Reconstruction and Development (EBRD) commitment of €20 million (\$23.4 million), the firm was able to hold a final close.

Contacts

Deloitte Private Equity Leaders in Central Europe

Mark Jung

Private Equity Leader Deloitte Central Europe
Poland
+48 22 511 00 17
markjung@deloittece.com

Linas Galvelė

Baltics
+370 52 553 022
lgalvele@deloittece.com

Gavin Hill

Bulgaria
+359 2802 3177
gahill@deloittece.com

Dušan Sevc

Czech Republic
+420 246 042 177
dusevc@deloittece.com

Balázs Csűrös

Hungary
+36 14 286 935
bcsuros@deloittece.com

Radu-Cristian Dumitrescu

Romania
+40 212 075 322
rdumitrescu@deloittece.com

Darko Stanisavić

Serbia
+381 113 812 134
dstanisavic@deloittece.com

Ivana Lorencovičová

Slovakia
+421 258 249 148
ilorencovicova@deloittece.com

Tilen Vahčič

Slovenia
+386 1 307 29 85
tvahcic@deloittece.com

“Exits for CE PE over the last two years - along with some larger headline deals - have helped attract investors to the region, with a number of established private equity houses announcing funds. These capital raises should drive deal activity, with a growing number of addressable funding opportunities available as businesses in the region mature and seek external backers to provide funding and expertise.”

Mark Jung, Partner, Private Equity Leader Deloitte Central Europe

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