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Navigator Capital and FORDATA:

In Q3 2021, 68 M&A transactions were carried out in Poland

The M&A Index Poland report prepared by FORDATA and Navigator Capital shows that in the third quarter of 2021, a total of 68 mergers and acquisitions were carried out in Poland. In terms of industries, the targets were dominated by the TMT (31%), FMCG (13%) and Biotechnology/Healthcare (12%) sectors.

The largest transaction in the third quarter of 2021 was the acquisition for approximately EUR 1.52 billion of 100% of shares in the domestic cable TV operator **UPC Polska**, owned by Liberty Global, an operator of television and broadband internet services present in over 30 countries, **by Play Communications** - an entity last year acquired by Iliad SA, the French leader in the telecommunications market and operator of the Free Mobile network.

In line with the assumptions, the management board of Iliad is efficiently implementing the strategy of maintaining and even strengthening the competitive position on the Polish market, and - above all - increasing the already comprehensive range of products. Play plans to allocate approximately EUR 1.52 billion in cash for the transaction, excluding UPC's debt and cash position. Therefore, the price before synergies is a multiple of 9.3x EBITDAaL, and 7x after taking these into account. UPC's customer base has 1.5 million subscribers and 3.7 million homes connected to the Fiber-To-The-X network. The transaction still requires approval by the European Commission, and if a positive opinion is obtained, we should observe its closing in the first half of 2022.

*"The third quarter of this year was marked by a slight decrease in the number of transactions. This event is correlated with the events of 2020, where we observed some slowdown in the second and strong rebound in the third quarter. The explanation for this dependence is the high base effect, which directly contributed to a slight decline in Q3 this year, and the phenomenon itself does not mean that the market is out of breath. In our opinion, in the coming months we will notice an increase in activity on the Polish M&A market. Among buyers this year, it is worth noting Ten Square Games, listed on the WSE, which acquired 100% of shares in Italian Rortos for EUR 45 million. The company's core business is to create flight simulators for mobile devices, but its portfolio also includes titles for personal computers and game consoles. At the same time, Ten Square itself is at an advanced stage of sale, being targeted by Asian giants. " - **comments Artur Wilk, Manager at Navigator Capital Group***

The TMT sector, in particular technology companies, continues to dominate the Polish mergers and acquisitions market. Booksy, a Polish company dealing in software for arranging visits to service outlets, showed an interesting activity by taking over on September 15 the Genbook company from the same industry. This will enable the Polish enterprise to expand its customer base and drive further growth. In the second place among the acquired enterprises were companies from the FMCG sector, and in the third - Biotechnological/Healthcare. Medicover and Lux Med, which are constantly consolidating the market, should be noted. Neuca, a leader among pharmaceutical distributors in Poland, with the largest number of clinical research centers, which acquired 100% of EXOM Groupe shares, can boast of this biotechnological acquisition. The acquired entity is a CRO supplier present in Italy and Germany. The transaction will be carried out gradually in the 60/40 formula. The first tranche will amount to EUR 13.2 million, and the remaining 40% will be acquired in several smaller deals by 2025 based on the future 8x

average EBITDA multiple. Among the selling entities, private investors were invariably the most active, responsible for an overwhelming 76% of transactions.

"Throughout the year, we received signals from companies involved in mergers and acquisitions, as well as advisors, of increased market activity, so a slight decrease in the number of transactions in the third quarter is not significant for the forecasts for the end of the year 2021 or for 2022. We can expect, among others, further strengthening of the trend that has emerged in the Real Estate industry, i.e. transactions that we conduct in the Virtual Data Room system involving the housing market, which is now breaking price-per-square-meter records.. The entire M&A market in Poland matures until acquisitions become one of the elements of the company's development strategy, which, thanks to such processes, will be able to acquire complete teams of experts, who are already running short of the employment market, and thus evolve. On the other hand, the problem is still the effective succession of family businesses established in the 1990s. Subsequent periods will therefore be driven not only by the consolidation of the TMT sector, but also by inter-industry mergers serving the development of information and logistics facilities and expanding the offer of companies for existing and new customers." - **comments Marcin Rajewicz, Account Manager at FORDATA**

On the buyers' side, entities from the TMT sector were the most active - 31%, followed by entities from the biotechnology/healthcare sector - 15%, and ex aequo entities from the FMCG sector and PE / VC funds - 10%.

Comprehensive information summarizing the activity on the Polish M&A market in the third quarter of 2021 can be found in **the M&A Index 3Q 2021 Poland report** prepared jointly by Navigator Capital and FORDATA.

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

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