

2015

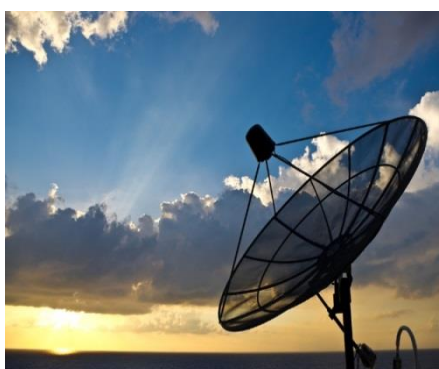
Heal Partners Newsletter

Healthcare, Logistics, TMT in Europe and in CEE in 2015

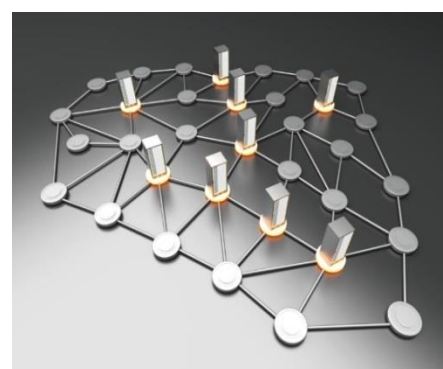
Healthcare



Telecom, Media, Technology



Logistics & Distribution



Heal Partners

in association with

GLOBALSCOPE
INTERNATIONAL M&A ADVISORS

European and CEE M&A Activity

Sector-Specific Analysis

A closer look at the underlying sector-specific structural drivers, 2015 H1 developments

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Executive Summary

HEALTHCARE: Bigger is better? 2015 another record year of consolidation

Market participants in European Pharmaceutical and Healthcare space just do not seem to stop consolidating; transaction volumes are up 30% (from 804 to 1,046), while average transaction values are up 8% compared to 2014 (from EUR 406 million to 437 million). For global pharma, push for pipeline, as well as taxation considerations still play a key role in such consolidation, at the same time shareholders are increasingly reluctant to accept promised synergies at face value (see difficulties of closing Mylan-Perrigo and Allergan). Healthcare services companies are also heavily transacted (in fact being the highest transaction volume segment with 39% of deals happening in this space); increasing demand, rising technology costs and limited buying power of health insurers pushing providers towards acquisitive growth and consolidation.

In CEE, 2015 was an even more active year. Deal volumes are up over 50% (from 44 to 67 transactions) and dominated by Poland as geography (67% of transactions) and healthcare services (48% of transactions) as a sub-segment. In-border deals dominate the CEE landscape, some key players consolidating their home market, financial buyers playing quite a substantial role in such consolidation in the healthcare services sub-segment (as the example of Mid-Europa's purchase of Romanian Regina Marina as well as Arx Private Equity's entry to Slovenian healthcare shows).

*In CEE, we expect further transaction volumes in the healthcare services space as private capital plays an increasing role in delivering quality care to patients. Healthy median valuation multiples of 1.2 – 2*x Sales and 7-15*x EBITDA should help sellers to let their smaller businesses go. Buyers include local consolidators as well as some international groups and PE funds. CEE also benefits from the fact that small/mid-sized deals are quite common in Europe in this segment.*

TMT: Software gaining ground in M&A activity

Mobile internet revolution has not only changed the ways people use internet in the last couple of years but also had impact on the TMT M&A landscape. Firstly, it made pressure on telecom operators to consolidate in order to cope with increasing capital needs and related return requirements, mobile internet rollout requires. This trend was clearly visible in the last 2-3 years as we have seen telecom mega deals in Europe and to a certain extent even in CEE that decreased number of market players. Secondly, mobile internet usage not only intensified the traditional way of internet usage but opened up opportunities for new business models such as subscription based services in buying multimedia products, social media applications in the media business and sharing economy applications transforming number of different industries. On the back of these trends, new business segments were created and new players have entered the market. There are two important consequences on the M&A market: (i) there are more deals as new players are bought by more established companies, especially in European levels, (ii) valuation multiples are on the rise that are visible trends both in European level and in CEE.

Software industry experienced an outstanding 52% of deal value growth and a 10% deal volume increase in 2015. In terms of European valuation multiples, slightly increasing overall TMT figures were supported mainly by the software segment that achieved 3.4% higher EV/Sales and 6.4% higher EV/EBITDA figures compared to our previous report. As for CEE multiples the trend was even stronger increase with 15.7% EV/Sales and 9.9% EV/EBITDA figures.

In CEE, we expect that the trend of large telecom and infrastructure deals will continue in 2016 in a selective manner driven by decisions in European headquarters of multinational companies. At the same time we also expect software deals to increase their weight in TMT M&A activities at favorable valuation levels. Here buyers will primarily include Western European or global strategic players. The valuation benchmark of listed software businesses in CEE includes relatively high proportion of more traditional software companies so we expect to see valuation metrics significantly above market averages in transactions targeting new, sexy technology ventures.

In the broad TMT sector, healthy valuation multiples of 0.5-1.3x Sales and 5-7.5x EBITDA support the prospective sellers in CEE varying by different industry segments.

LOGISTICS: Healthy transaction appetite, mainly by industry players

Fuelled by some key industry characteristics (near-sourcing production back to Europe from the Far East, regionalization trends in smaller European geographies, availability of liquid assets on corporate balance sheets, low-interest rate environment, still fragmented players' landscape with aging entrepreneurs), 2015 showed a healthy transaction activity with a 6% deal volume increase compared to 2014. While large logistics companies again dominating the buyers' field (mostly US, UK, Canada) and mostly contributed to cross-border deal volume, local deals still contributed to 61% of the total transaction volumes. Also, while the typical European logistics transaction is between a larger ground logistics company buying a smaller rival, it is also worth noting that there are notable transaction volumes in air, rail and water and that certain financial-type investors are also possible buyers of logistics infrastructure assets.

In CEE, a particular interesting trend is the continued rise of some local champions that are on the track to be sizeable, even leading European players. The example of polish PKP CARGO completing the acquisition of 80% of shares of Advanced World Transport (AWT) in the Czech Republic shows that such local champions are also using M&A increasingly as a tool to achieve their growth ambitions. CEE logistics owners, in case of exit plans, will find buyers on the back of similar key trends that dominate the European landscape, resulting to healthy average valuation levels in CEE of 0.8 – 1.8x Sales and 7-8x EBITDA.

The European sector M&A landscape

The following analysis is focused on European Healthcare sector with the following sub-segments: Pharmaceuticals, Healthcare Services, Healthcare Equipment, Biotechnology.

Key Highlights

Increasing transaction appetite in 2015

A total of 1,046 deals were announced in 2015 of which 818 are already closed. Transaction volume increased by 30% compared to 2014 (804 deals), which indicates improving and healthy transaction environment in European healthcare.

In-border deals outweigh cross-border deals

As many as 617 in-border deals gave 59% of total transactions in 2015, while 429 cross-border deals contributed with 41%.

France the hottest target country

France took the leading position from UK in terms of transaction volumes with 17.4% compared to 16.5%. Top 5 countries (France, UK, Germany, Spain and Russia) accounted for 61% of the deal count in 2015. By deal value Ireland led by EUR 63.7bn, followed by UK (EUR 21.8bn) and the Netherlands (EUR 12.9bn) in 2015.

Buyer Countries

More than 15% of the buyers were French in 2015, followed by UK (12%), US (10%) and German (8%).

Average deal size up by 8% in 2015 vs. 2014

In 2015, average deal value was at EUR 437m vs. EUR 406m in 2014. From the 1,046 deals only 298 transactions (29%) had value disclosed, of which 42 deals (4% of the total) exceeded EUR 200m.

142 deals with disclosed data were below EUR 10m (14%), while medium deals (between EUR 10m and EUR 200m) gave 11% of accumulated total volume (114 deals in 2015).

Healthcare Providers & Services still dominate

Healthcare Providers & Services provided 39% of the total transaction volume in 2015. Pharmaceutical transactions drove 29% of total deals, while Healthcare Equipment and Supplies totalled 20%.

European Top 10

Top 10 deals in 2015

1. Medtronic Inc., the second-largest maker of medical devices, agreed to buy Covidien Plc for EUR 31.6 billion in cash and stock. The deal, which is Medtronic's largest deal has been completed in January 2015, and it gives the Minneapolis-based company Covidien's portfolio of hospital supplies. At the same time, there were some tax optimization considerations behind the acquisition.

2-3. GlaxoSmithKline plc announced that its three-part transaction with Novartis has completed. As a result of this transaction, GSK has acquired Novartis's global Vaccines business (excluding influenza vaccines) for an initial cash consideration of some EUR 5.1bn; has created a new world-leading Consumer Healthcare joint venture with Novartis in which GSK will have majority control and an equity interest of 63.5%; and has divested its Oncology business for an aggregate cash consideration of EUR 11.6bn.

Giga deal driven by tax considerations

Pfizer Inc would buy „botox maker” Allergan Plc in a deal worth some EUR 151bn (USD 160bn). The acquisition would create the world's largest drugmaker and shift Pfizer's headquarters to Ireland. One of the key motivations of the transaction is probably the lower Irish tax corporate rate (12.5% vs 39.2% in the US).*

Top transaction failed for the time being

Ireland headquartered pharmaceutical firm, Perrigo Company plc's acquisition by Mylan NV. would be the largest deal in 2015 with its EUR 31.9bn value. According to the latest news, however shareholders of the Dublin-based OTC drug maker tendered only about 40 percent of their shares to Mylan by the mid-November deadline, and half were required for a deal to move forward.

*Source: <http://www.businessinsider.com/bernie-sanders-on-allergan-pfizer-deal-2015-11>

Sector contacts

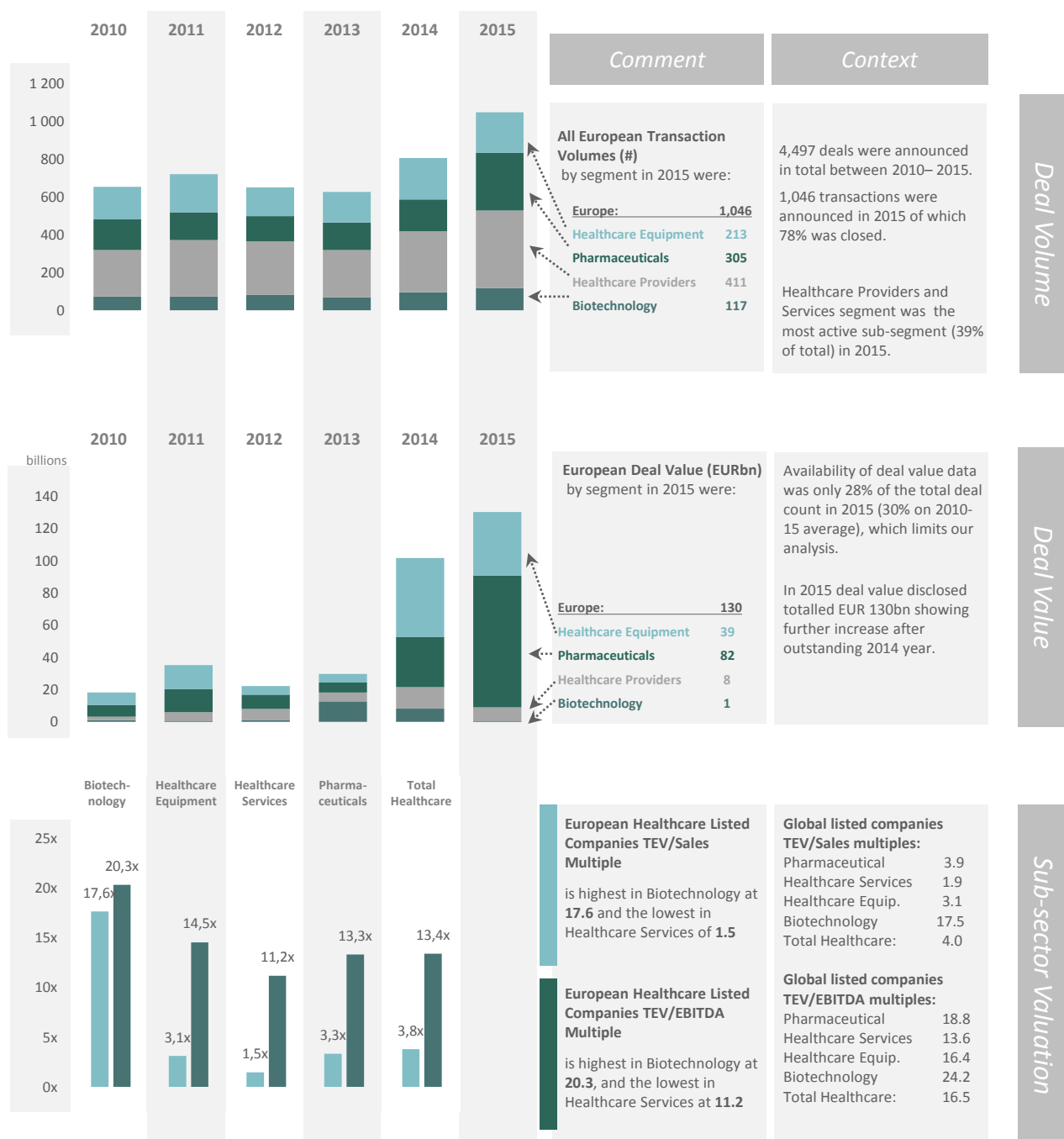


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European M&A trends & market analysis

The following data are compiled specifically for the European Healthcare sector, with Deal Volume over time in the first chart based on annual transaction data; Deal Value for those transactions where value was disclosed in the second chart; sub-sector comparisons in the third chart based on listed companies data as at 31 December 2015.



Note: Due to the methodology as this Report is prepared, some overlap may occur between certain years. This means that one transaction can potentially appear in two years' statistics, first when it is announced and then when it is completed (if these two happen in different years). For this reason, in the 2015 Report the overlap in the aggregate concerns 46 (2011:2, 2013:1, 2014:43) European deals in the value of EUR 64.7bn (2011:2mn, 2013:-, 2014:64.7bn)

The CEE sector M&A landscape

The following analysis is focused on CEE region including BG, HR, CZ, HUN, PL, RO, SRB, SK, SLO, EST, LV, LT.

Key Highlights

Increasing deal count

CEE region had all announced transactions of 67, which means a very strong 52% increase compared to 2014 (44 transactions).

In-border transactions take great proportion

The distribution between in-border and cross-border deals increased further in favour of in-border transactions. While cross border deals accounted for only 28% of 2015 total, in-border transactions gave 72%. The in-border - cross-border ratio was 66%-34% in the previous year.

Poland is still a favoured target

67% of total transactions took place in Poland this year, increasing from the 2014 48%. Six deals in Romania and five deals in the Czech Republic were executed in 2015, which shows more activity in the region compared to the previous years.

Buyer Countries

More than 40% of the regional buyers were located in Poland, six buyers are from the Czech Republic, and 4 from Romania. Some overseas buyers appeared as well in 2015 regional deal flow, 2 buyers came from Hong Kong and another from Australia.

Healthcare Providers & Services dominates

Healthcare Providers & Services was the primary deal driver in CEE (32 transactions, 48% of total deal count).

Pharmaceuticals deals contributed 30% of the CEE deal count (20 transactions), while Healthcare Equipment and Supplies sub-segment gave 9 transactions in 2015.

CEE Top 10

Top deals in 2015

1. Mid Europa Partners, the largest private equity firm focused on Central Europe and Turkey acquired Centrul Medical Unirea S.R.L. ("Regina Maria"), the leading premium integrated private healthcare services operator in Romania. Mid Europa, which has a strong track record of building true national champions, such as LUXMED in Poland, intends to support Regina Maria's management through capital investments for organic and acquisitive growth. The deal value may approach EUR 100mn value according to sources close to the matter.*
2. Dechra Pharmaceuticals PLC, the London-listed veterinary drugs company, is buying a Croatian vaccines producer for EUR 38mn to extend its reach in Europe and cash in on growing demand for poultry vaccines. The deal is part of Dechra's push into products for food-producing animals and marks the latest step in the expansion of a company that started life in a management buyout from Lloyds Chemists in 1997.
3. Hong Kong-based NovoTek Pharmaceuticals Limited bought some 13% in listed Polish biotech firm Bioton for a total of EUR 31.5mn.

Transactions of particular interest in 2015

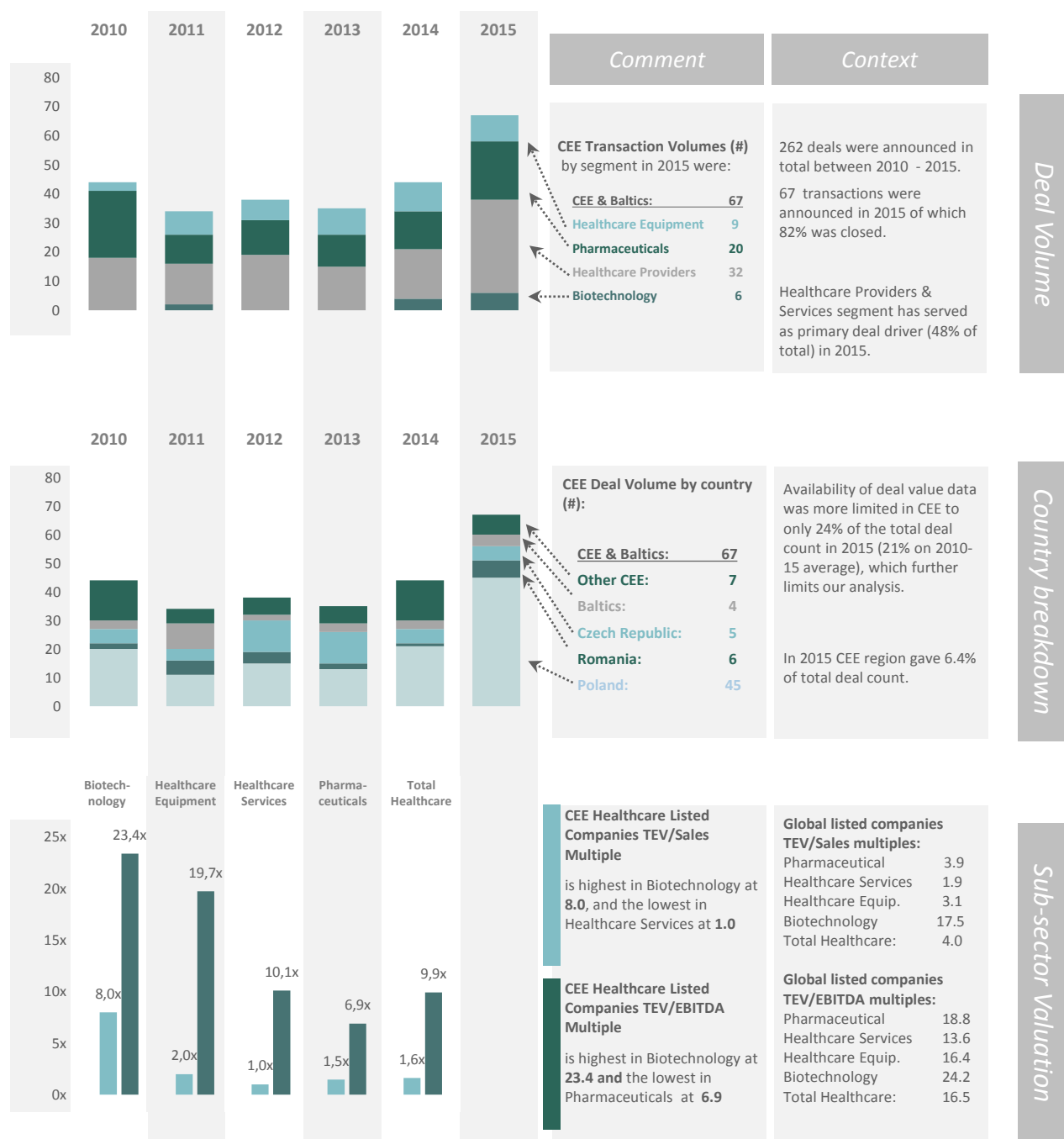
1. Euroclinicum has acquired occupational medicine provider Medicovert/Mediconet in the Czech Republic. The transaction covers three clinics in Prague and one in Brno. According to public sources** the deal value is some EUR 10mn (USD 12mn).

Largest deals in last six years

1. Bupa Investments, an European health insurance company, acquired the largest private clinic chain in Poland, Lux Med Sp. for EUR 403m. The deal was announced in Dec 2012 and closed in Apr 2013.
2. Servier Group, a French pharmaceutical manufacturer, made a public offer for Egis Nyrt, the second largest pharma maker in Hungary in October 2013. Servier Group collected 45.5% stake for EUR 356m, raising its ownership to 96.43% in Egis.
3. Valeant Pharmaceuticals International acquired 87.2% stake in Sanitas AB, a specialty pharmaceutical manufacturer in Lithuania in May 2011. Valeant Pharmaceuticals has various subsidiaries in the specialty and branded generic pharmaceutical segments. The company operates a manufacturing facility in Poland.

CEE & Baltics M&A trends & market analysis

The following data are compiled specifically for the Healthcare sector in the CEE region, with Deal Volume over time in the first chart based on annual transactional data; country comparisons in the second chart; sub-sector comparisons in the third chart based on listed companies data as at 31 December 2015.



Note: Due to the methodology as this Report is prepared, some overlap may occur between certain years. This means that one transaction can potentially appear in two years' statistics, first when it is announced and then when it is completed (if these two happen in different years). For this reason, in the 2015 Report the overlap in the aggregate concerns 46 (2011:1, 2013:1, 2014:2) European deals in the value of EUR 2mn (2011:2mn, 2013:-, 2014:-)

The European sector M&A landscape

The following analysis is focused on European TMT sector with the following sub-segments: Telecoms, Technology, Software, Media.

Key Highlights

Trend twists of 2014 continues

The growing trend in number of deals has slightly slowed down in 2015 (total of 2,881 deals) that means a 9.2% growth compared to last year. Media and Software sub-sector showed the highest growth 12.8%, 9.8% respectively.

Cross-border deals are still on the rise

Proportion of cross-border transactions has further increased to 37.3% of the total in 2015 from 35% in 2010. Although decreased in proportion, in-border deals still dominated M&A activities in Europe (1,805 in-border vs. 1,076 cross-border transactions)

Target Countries

UK and France remained hot spots in 2015 (respectively 25%, 21% share in deal value). When looking at top 5 Italy and Spain appeared on the list due to two large deals. Regarding deal volumes, France kept its clear leading position with 700 deals, while UK remained 2nd position with 447 deals.

Buyer Countries

France maintained its leading position among the buyer countries, acting as buyers 22% of European deals. The medalists were UK (12%) and USA (10%).

Average deal size remained relatively high

Even though average deal value slightly decreased to 208m EUR compared to 213m EUR in 2014, it remained above the 5 year average. 73 deals topped the EUR 500m mark, of which 41 even exceeded EUR 1bn. Telecom dominated large deals with accounting 25 deals. It also have to be noted that out of 73 large deals, 18 are still pending/intended.

Relative shift to larger deals

Small deals (up to EUR 50m) contributed to 78.5% those with disclosed data in 2015, slightly lower compared to the previous 5 years that was ranging between 80-85%. Share of medium deal size (EUR 50-500m) decreased to 13.3% from a historical average of 14.1% and large deals (>EUR 500m) increased up to 8.2% from average of 4.7%.

Software sub-sector prevail

The Software segment has served as primary deal driver, accounting for 56.2% of total transaction volumes in 2015. Large deals, however, came from the Telecom segment that accounted for only 8.3% of deal count but by far led the value list (EUR 104.3bn, 55.8% proportion in 2015).

European Top 10

Top 10 deals

Top 10 deals had a total value of EUR 82.1 bn in 2015, impressively 7 of them belonged to the Telecom sector. With no surprise among the top deals, two French and four UK targets are listed in 2015.

Top 10 deals in 2010-15

In 2010-15, the Telecom sub-segment drove the giant deal landscape, accounting for EUR 129.2bn (9 transactions) of the EUR 138.4bn of the total value of the Top 10.

1. CK Hutchison Holdings Ltd., the parent company of Italian mobile operator 3 Italia, and VimpelCom Ltd., parent company of WIND, entered into an agreement to form a 50/50 joint venture that will own and operate their telco businesses in Italy. Total deal value of EUR 21.8bn*.

2. Nokia the Finnish publicly listed company will absorb Alcatel-Lucent, the century-old French firm. Announcement in Apr 2015, means an important step for Nokia toward strengthening its remaining position in the telecom-equipment business. The expected value of EUR 14.5-16 bn. is the second in 2015.

3. Hong Kong-listed Hutchison announced in Apr. 2015 to acquire O2 PLC, a U.K.-based leading digital communications company for EUR 13.6bn. The European Commission has until March 16, 2016, to investigate the proposed acquisition and to decide whether to approve it.

**Source: Company press release*

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Analysis performed by:

Heal Partners

European M&A trends & market analysis

The following data are compiled specifically for the TMT sector, with Deal Volume over time in the first chart based on annual transactional data; Deal Value in the second chart for those transactions where value was disclosed; sub-sector comparisons in the third chart based on listed companies data as end of December 2015 (not directly comparable to Globalscope's global analysis issued in December, which based on mid-September data).



The CEE sector M&A landscape

The following analysis is focused on CEE region incl. BG, HR, CZ, HUN, PL, RO, SRB, SK, SLO, EST, LV, LT.

Key Highlights

Increasing M&A activity

A clear increasing trend can be seen in 2015 in terms of regional deal volume (254 transactions) compared to 2014 (195). Contrary to slightly growing European market, CEE region showed a significant 30.3% deal growth compared to 2014.

Total number of announced transactions was 254, accounting for 8.8% of the European market in 2015.

More in-border deals

In line with European trends, in-border deals dominated CEE in 2015. 2015 statistics: 90 cross-border vs. 164 in-border transactions have been counted.

Buyer Countries

Poland leads deal count on buyers' side in 2015 too (114 deals, 44.9% of total), followed by the Czech Republic, Estonia (18 and 13 buyers respectively).

Poland was the hot spot

Poland preserved its leading position in CEE and dominates the market henceforward. There were more than 86 Polish target companies acquired per annum, on average, over the last 6 years. 2015 was outstanding with 156 deals representing a proportion of 61% within all CEE deals. Czech Republic was No. 2 in terms of deal volume, having 31 deals in 2015.

Software and Media segments dominate deal count

Leading sub-sector was Software (121 transactions, 48% of total deal count), followed by Media (34% contribution), showing more a balanced picture in CEE.

Telecom segment had two third of the deal value

The Telecom segment, similarly to Europe, contributed 55% of value (EUR 3.5bn) of those deals with announced value data in 2015. Number two was the Media segment (EUR 2.2bn, 34.9% share).

CEE Top 5

Top 5 deals

Top 5 deals had value of EUR 5.5bn in the CEE in 2015. Czech and Polish targets had EUR 2.0m and EUR 2.3m contribution with 1 and 2 deals respectively. Telecom segment had three top deals with total value of EUR 3.2bn, while one Media deals contributed EUR 2.1bn.

2010-15 Top deals

Top 10 deals had a total value of EUR 16.0bn in 2010-15, following the European trends, CEE top deals were also dominated by Telecom sub-segment (7 transactions with a total value of EUR 12.3bn), but 3 additional media deals managed to leave their footprint in the top 10.

Updates

1. The largest two announced transactions in our earlier report namely (i) PPF, offered to buy out minority stakeholders of former Telefonica Czech Republic; (ii) Southbank offered to acquire control of TVN SA both completed during the second half of 2015.

2015 Top deals

New Announcements

1. The investment group Rockaway Capital has agreed to buy the second biggest internet retailer on the Czech market, Mall.cz, and the price comparison website, Heureka.cz, for CZK 5.4 billion. (EUR 199m)
2. In July 2015 Value4Capital private equity fund announced the sale of its portfolio company Home.pl to 1&1 Internet SE, a subsidiary of United Internet. The target, Home.pl, is the leading provider of cloud-based services to the SME sector in Poland and the rest of Central and Eastern Europe. The deal value was EUR 156m.

CEE M&A trends & market analysis

The following data are compiled specifically for the TMT sector, with Deal Volume over time in the first chart based on annual transactional data; county comparisons in the second chart, sub-sector comparisons in the third chart based on listed companies data as of end December 2015.



Technology

Media

Software

Telecoms

Total TMT

8

7

6

5

4

3

2

1

0

CEE TMT Listed Companies TEV/Sales Multiple

is highest in Telecom at 1.3, 2.8 times as high as in the lowest in Technology segment of 0.5.

CEE TMT Listed Companies TEV/EBITDA Multiple

is highest in Media segment at 7.5 and the lowest in Telecom sub-sector of 5.1

Global listed companies TEV/Sales multiples:

Technology : 1.0

Media: 1.6

Software: 1.9

Telecoms: 1.9

Total TMT: 1.4

Global listed companies TEV/EBITDA multiples:

Technology : 9.3

Media: 9.5

Software: 12.7

Telecoms: 7.4

Total TMT: 10.0

Sub-sector Valuation

Data supplied by:



THOMSON REUTERS

Analysis performed by:

Heal Partners

The European sector M&A landscape

Considering the relevant transaction activity for CEE region and Europe, our segment breakdown is different from the global analysis made by Globalscope.

Key Highlights

Transaction appetite increased

Last years' trends have been changed, number of all announced transactions increased in 2015 after 3 years of erosion since its 2011 peak. 2015 deal count was at 534, 6% increase compared to 2014.

Cross-border deals on the rise

Proportion of cross-border transactions increased to 39% of total in 2015 from 35% in 2010 (and in 2014 as well). In-border deals, though decreasing, but dominated M&A activity (324 in-border vs. 210 cross-border transactions in 2015).

Target Countries and Buyers

Russia kept its leading role with 91 announced deals (17% of the total European deal count) in 2015, however a decreasing trend can be observed since 2011 (222 Russian deals). UK (16%) and France (13%) were on the podium as well.

UK and Russia were the most active buyers in 2015 with 76 (14%) and 72 (13%) deals respectively.

Average deal size increased significantly

In 2015 larger deals drove forcefully average deal size up. Average price was the highest in the last 6-year period with EUR 148mn. 18 deals exceeded the EUR 250m mark, while 4 deals even stepped over the EUR 1bn line.

Medium deals dominated the total deal-flow

57% of deals with disclosed value data had deal value between EUR 10m and EUR 200m in 2015. Medium-sized and larger deals gathered ground during the last couple of years, while small deal proportion decreased.

Ground transportation prevails

Ground transportation segment had the undisputable lead in 2015, accounting for 58% of total transaction volume. Air freight and Marine services segments were the laggards representing only 18% and 24% of total in volume-terms in 2015.

European Top 10

Top 10 deals in 2015

Top 10 transactions had a combined value of EUR 14.6bn in 2015.

1. Some years after UPS failed to acquire FedEx agreed in April to buy Dutch package-delivery company TNT and positioning itself to capitalize on the growth of e-commerce in Europe. The deal value is some EUR 4.4bn and still waiting for competition office approval.*
2. XPO Logistics took over 67% of French Norbert Detressangle's shares from founder and its family. Price was EUR 2.5bn.
3. Canada Pension Plan Investment Board (CPPIB) and Hermes Infrastructure acquired a stake (33.33%) in UK's leading ports group Associated British Ports (ABP) that owns and operates 21 ports in England, Scotland and Wales.

The largest deals in the last five years

Top 10 transactions had a total value of EUR 32bn between 2010-2015.

The most interesting deals:

1. As the largest deal TNT announced to separate its Mail and Express activity end of 2010. Through a statutory demerger, two independently listed companies have been created (TNT NV and TNT Express). Value of the deal was some EUR 5.1bn.
2. Eversholt Rail, one of the three rolling stock companies formed at the privatisation of British Rail acquired by Eversholt Investment Group, a consortium consisting of STAR Capital Partners, 3i Infrastructure Plc and Morgan Stanley Infrastructure Partners in 2010.

*UPDATE: In January 2016 the deal has obtained the unconditional approval of the European Commission

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Analysis performed by:

Heal Partners

European M&A trends & market analysis

The following data are compiled specifically for the Logistics & Distribution sector, with Deal Volume over time in the first chart based on annual transactional data; Deal Value for those transactions where value was disclosed in the second chart; sub-sector comparisons in the third chart based on listed companies data as at 31 December, 2015.



Note: Due to the methodology as this Report is prepared, some overlap may occur between certain years. This means that one transaction can potentially appear in two years' statistics, first when it is announced and then when it is completed (if these two happen in different years). For this reason, in the 2015 Report the overlap in the aggregate concerns 24 (2012:2, 2013:1, 2014:21) European deals in the value of EUR 3.5bn (2012:-, 2013:-, 2014: 3.5)

The CEE sector M&A landscape

The following analysis is focused on the Logistics & Distribution M&A activity in the CEE region including BG, HR, CZ, HU, PL, RO, SER, SK, SLO, EST, LV, LT.

Key Highlights

Strong M&A activity in the region

CEE region had all announced transactions of 283, accounting for 8% of the European market between 2010-2015.

In 2015, CEE region showed a very strong 37% increase (44 deals) after two years of two-digit negative growth.

Still existing cross border lead

Share of cross border deals kept their leading position against in-border ones. 2015 cross border proportion was 52% (vs. 53% in 2014)

Poland was the hot spot

Poland preserved its leading position in CEE and dominates the market henceforward. There were 19 Polish target companies acquired per annum, on average, since 2010, and 20 deals in 2015. Slovenia was number 2 in 2015 with historical high 6 deals.

Buyer Countries

Poland leads deal count on buyers' side too (12 deals in 2015, 2.4% of total European deal count and 46% of the CEE region), representing also the top regional deal in 2015: Polish rail giant PKP bought 80% of Czech AWT in a deal worth over EUR 100 million)

Ground transportation was the dominant segment again

In the last 6 years leading sector was Ground transportation (63% of total deal count) in line with European trends. In 2015 lower 55% of the deals came from this segment, while Air freight and Marine services increased their shares (27% and 18%).

CEE Top 10

Larger deals are waiting for competition office

Handful of medium sized deals are waiting for competition office approval or closing in the CEE region. PKP, the logistics leader in Poland and one of the leading logistics groups in Europe was very active on the M&A market in 2015.

In May, PKP CARGO has completed the acquisition of 80% of shares of Advanced World Transport (AWT), the second-largest rail freight operator in the Czech Republic and one of the largest private carriers in Europe. The value of the transaction amounted to some EUR 103,2mn. Thus, PKP CARGO significantly strengthened its strategic position in the region as an integrated logistics operator with European coverage.

In November, PKP CARGO, PKN ORLEN and Euronft Trzebinia agreed on the sale of railway assets held by ORLEN Group. The two transactions, worth some EUR 60mn, concerns the shares of ORLEN KolTrans and an organised part of the Euronft Trzebinia enterprise. Also, long-term agreements on logistics services rendered by PKP CARGO to ORLEN Group will be made. The transactions are conditional i.a. on the consent of the Competition Office.

ORLEN KolTrans and Euronft Trzebinia are active on the fuel and chemicals transport market. They carry over 40% of products manufactured by PKN ORLEN, mainly to fuel terminals and chemical plants. ORLEN KolTrans and Euronft hold a stable share of approx. 2.5% on the Polish market, in terms of carriage performance.

CEE M&A trends & market analysis

The following data are compiled specifically for the Logistics & Distribution sector, with Deal Volume over time in the first chart based on annual transactional data; county comparisons in the second chart, sub-sector comparisons in the third chart based on listed companies data as at 31 December,2015.



TOP 10 transactions in Healthcare sector

Europe

TOP deals (2010-15)

Target	Value (EURm)	Date	Percent sought	Target country	Buyer	Segment
Covidien PLC	31 551	2015.01.26	100	FRA	Medtronic Inc	Healthcare Equipment & Supplies
GlaxoSmithKline PLC-Oncology Business	11 586	2015.03.02	100	UK	Novartis AG	Pharmaceuticals
Nycomed International Management GmbH	10 065	2011.09.30	100	SWI	Takeda Pharmaceutical Co Ltd	Pharmaceuticals
Alcon Inc	8 493	2011.04.08	25	SW	Novartis AG	Healthcare Equipment & Supplies
Novartis AG-Vaccines Business	5 142	2015.03.02	100	DEN	GlaxoSmithKline PLC	Pharmaceuticals
Elan Corp PLC	6 204	2013.12.18	100	IRE	Perrigo Co	Biotechnology
Abbott Laboratories-Non US Markets Speciality & Branded Generics Business	4 208	2015.02.27	100	TUR	Mylan Inc	Pharmaceuticals
Actavis Group	4 640	2012.10.31	100	SWI	Watson Pharmaceuticals Inc	Pharmaceuticals
Novartis AG-Animal Health Division	3 910	2015.01.01	100	UK	Eli Lilly & Co	Pharmaceuticals
Omega Pharma Invest NV	3 626	2015.03.30	95.77	DEN	Perrigo Co PLC	Pharmaceuticals
Total (TOP 10)	89 425					

TOP deals (2015)

Target	Value (EURm)	Date	Percent sought	Target country	Buyer	Segment
Covidien PLC	31 551	2015.01.26	100	FRA	Medtronic Inc	Healthcare Equipment & Supplies
GlaxoSmithKline PLC-Oncology Business	11 586	2015.03.02	100	UK	Novartis AG	Pharmaceuticals
Novartis AG-Vaccines Business	5 142	2015.03.02	100	DEN	GlaxoSmithKline PLC	Pharmaceuticals
Abbott Laboratories-Non US Markets Speciality & Branded Generics Business	4 208	2015.02.27	100	TUR	Mylan Inc	Pharmaceuticals
Novartis AG-Animal Health Division	3 910	2015.01.01	100	UK	Eli Lilly & Co	Pharmaceuticals
Acerta Pharma BV	3 642	n/a	n/a	UK	AstraZeneca PLC	Pharmaceuticals
Omega Pharma Invest NV	3 626	2015.03.30	95.77	DEN	Perrigo Co PLC	Pharmaceuticals
Amdipharm Mercury Co Ltd	3 173	2015.10.21	100	TUR	Concordia Healthcare Corp	Pharmaceuticals
Acerta Pharma BV	2 765	n/a	n/a	NOR	AstraZeneca PLC	Pharmaceuticals
Siemens Audiologische Technik GmbH	2 127	2015.01.15	100	GER	Investor Group	Acq. of Assets
Total (TOP 10)	71 729					

Source: Thomson Reuters Eikon

Central and Eastern Europe

TOP deals (2010-15)

Target	Value (EURm)	Date	Percent sought	Target country	Buyer	Segment
LUX MED Sp zoo	403	2013.04.11	100	POL	BUPA	Healthcare Providers & Services
Egis Gyogyszergyar Nyrt	356	2013.09.24	46	HUN	Arts et Techniques Du Progres	Pharmaceuticals
Sanitas AB	271	2011.08.19	87	LIT	Valeant Pharmaceuticals Intl	Pharmaceuticals
Polfa Warszawa SA	229	2012.04.19	85	POL	Polpharma SA	Pharmaceuticals
Gedeon Richter Plc	104	2012.12.31	5	HUN	Aberdeen Asset Management PLC	Pharmaceuticals
Centrul Medical Unirea SRL	98	2015.10.28	100	ROM	Mid Europa Partners LLP	Healthcare Providers & Services
Nepentes SA	60	2010.08.19	63	POL	Sanofi-Aventis SA	Pharmaceuticals
Genera dd	38	2015.10.21	84	HR	Dechra Pharmaceuticals PLC	Pharmaceuticals
Nepentes SA	37	2015.10.21	n/a	POL	Sanofi-Aventis SA	Pharmaceuticals
Biofarm SA	34	2010.05.19	n/a	ROM	SIF Muntenia SA	Pharmaceuticals
Total (TOP 10)	1 629					

TOP deals (2015)

Target	Value (EURm)	Date	Percent sought	Target country	Buyer	Segment
Centrul Medical Unirea SRL	98	2015.10.28	100	ROM	Mid Europa Partners LLP	Healthcare Providers & Services
Genera dd	38	2015.10.21	84	HR	Dechra Pharmaceuticals PLC	Pharmaceuticals
Bioton SA	19	2015.11.13	6	POL	NovoTek Pharmaceuticals Ltd	Pharmaceuticals
Bioton SA	13	2015.08.18	7	POL	NovoTek Pharmaceuticals Ltd	Pharmaceuticals
Medicover sro	10	2015.01.15	100	ROM	Euroclinicum as	Healthcare Providers & Services
Pani Teresa Medica SA	6	2015.12.02	81	POL	Sigvaris Holding AG	Healthcare Equipment & Supplies
GLG Pharma Europe Sp zoo	3	2015.08.03	n/a	POL	M10 SA	Biotechnology & Medical Research
LeenLife Pharma SA	2	2015.12.02	90	POL	SPT Sulphur Polymer Tech Inc	Pharmaceuticals
MSI Bioscience Sp zoo	2	2015.08.12	n/a	POL	Clean Technologies SA	Healthcare Equipment & Supplies
Delkor Sp zoo	2	2015.11.02	100	POL	Delko SA	Pharmaceuticals
Total (TOP 10)	192					

Source: Thomson Reuters Eikon

Analysis performed by:

Heal Partners

TOP 10 transactions in TMT sector

TOP deals (2010-15)

Europe

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
3 Italia SpA	21 800	13-May-2015	N/A	IT	Wind Telecomunicazioni SpA	Telecom Services
Societe Francaise du Radiotelephone - SFR S.A.	17 000	14-Mar-2014	100%	FRA	Numericable Group	Telecom Services
WIND TELECOM S.p.A.	16 791	4-Oct-2010	100%	ITA	VimpelCom Ltd.	Telecom Services
EE Limited	15 687	15-Dec-2014	100%	UK	BT Group plc	Telecom Services
Alcatel Lucent SA	14 437	14-Apr-2015	N/A	FRA	Nokia Oyj	Telecom Services
Portugal Telecom, SGPS S.A.	13 964	2-Oct-2013	100%	PTG	Oi SA	Telecom Services
O2 PLC	13 620	23-Jan.-2015	N/A	UK	Hutchison Whampoa Ltd	Telecom Services
Kabel Deutschland Holding AG	9 150	24-Jun-2013	76.60%	GER	Vodafone Vierte Verwaltungsgesellschaft mbH	Consumer Discr.
Ziggo N.V.	8 042	27-Jan-2014	71.50%	NED	Liberty Global plc	Telecom Services
Societe Francaise du Radiotelephone - SFR S.A.	7 950	3-Apr-2011	44.00%	FRA	Vivendi Société Anonyme	Telecom Services
Total (TOP 10)	138 441					

TOP deals (2015)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
3 Italia SpA	21 800	13-May-2015	N/A	IT	Wind Telecomunicazioni SpA	Telecom Services
Alcatel Lucent SA	14 437	14-Apr-2015	N/A	FRA	Nokia Oyj	Telecom Services
O2 PLC	13 620	23-Jan.-2015	N/A	UK	Hutchison Whampoa Ltd	Telecom Services
Oi SA-PT Portugal Assets	6 542	2-Jun.-2015	100%	PTG	Altice Portugal SA	Telecom Services
King Digital Entertainment PLC	5 289	2-Nov.-2015	N/A	IRL	ABS Partners CV	Software
Cable & Wireless Communications PLC	4 810	22-Oct-2015	N/A	UK	Liberty Global PLC	Telecom Services
Hutchison 3G UK Holdings (CI) Ltd	4 264	8-May-2015	N/A	UK	Investor Group	Telecom Services
TDF SA-Assets	4 137	31-Mar-2015	100%	FRA	Investor Group	Media
Jazztel PLC	3 902	18-Aug-2015	100%	ESP	Orange SA	Telecom Services
Telecity Group PLC	3 322	7-May-2015	N/A	UK	Equinix Inc	Software
Total (TOP 10)	82 122					

Source: Thomson Reuters Eikon

TOP deals (2010-15)

Central and Eastern Europe

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
Polkomtel Sp. z o.o.	4 051	30-Jun-2011	100%	POL	Spartan Capital Holdings Sp. z o.o.	Telecom services
O2 Czech Republic AS	2 584	5-Nov.-2013	65.90%	CZ	PPF a.s.	Telecom services
TVN SA	2 106	1-Sept-2015	100.00%	POL	Southbank Media Ltd	Media &Publishing
Ceska Telekomunikacni Infrastruktura as	1 999	3-Dec.-2015	N/A	CZ	PPF A4 BV	Telecom services
O2 Czech Republic AS	1 229	5-Nov.-2013	34.10%	CZ	PPF Group N.V.	Telecom services
Telewizja Polsat Sp. z o.o.	955	15-Nov.-2010	100%	POL	Cyfrowy Polsat S.A.	Consumer Discretionary
Slovak Telekom AS	882	18-Jun.-2015	N/A	SK	Deutsche Telekom AG	Telecom services
T-Mobile Czech Republic a.s.	828	10-Feb.-2014	39.20%	CZ	Deutsche Telekom AG	Telecom services
Cosmo Bulgaria Mobile EAD and GERMANOS Telecom Bulgaria SA	717	26-Apr-2013	100%	BUL	Telenor ASA	Telecom services
Cinema City Holding B.V.	674	9-Jan.-2014	100%	POL	Cineworld Group plc	Consumer Discretionary
Total (TOP 10 since Jan 01,2009)	16 026					

TOP deals (2015)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
TVN SA	2 106	1-Sept.-2015	100.00%	POL	Southbank Media Ltd	Media &Publishing
Ceska Telekomunikacni Infrastruktura as	1 999	3-Dec.-2015	N/A	CZ	PPF A4 BV	Telecom services
Slovak Telekom AS	882	18-Jun.-2015	N/A	SK	Deutsche Telekom AG	Telecom services
Bulgarian Telecommunications Co AD	331	20-Nov.-2015	100%	BL	Undisclosed Acquiror	Telecom services
Naspers OCS Czech Republic SRO-Heureka.cz	199	26-Oct.-215	100%	CZ	Rockaway Capital SE	Software & IT Services
Home.pl Sp zoo	156	10-Jul.-2015	0%	POL	1&1 Internet SE	Software & IT Services
Blizoo Media & Broadband EAD	119	28-Sept.-2015	100%	BUL	MobilTel EAD	Telecom services
Presspublica Sp zoo	74	3-Jun.-2015	0%	POL	Gremi Media SA	Media & Publishing
Cgates UAB	61	12-Feb.-2015	100%	LIT	AS Starman	Software & IT Services
TK Telekom Sp zoo	57	21-Jul.-2015	100%	POL	Netia SA	Telecom services
Total (TOP 5 since Jan 01.2015.)	5 984					

Source: Thomson Reuters Eikon

1. Note: Due to the methodology as this Report is prepared, some overlap may occur between certain years. This means that one transaction can potentially appear in two years' statistics, first when it is announced and then when it is completed (if these two happen in different years). For this reason, in the 2015 Report the overlap in the aggregate concerns 87 (2009:1, 2013:3, 2014:83) European deals in the value of EUR 29.9.bn (2009:-, 2013:-, 2014:29.9bn).

Analysis performed by:

Heal Partners

TOP 10 transactions in Logistics sector

Europe

TOP deals (2010-15)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
TNT Express NV	5 147	2010.12.02	100	NED	FEDEX Corp	Air Freight & Courier Services
TNT Express NV	4 356	2015.04.07	0	NED	Investor Group	Air Freight & Courier Services
Turkey-Motorways & Bridges Concession Rights	4 345	2012.12.17	0	TUR	NTK	Transportation, Ground
OA0 "Pervaya Gruzovaya Kompaniya"	3 235	2011.10.28	75	RUS	Trebol Holdings Sarl	Transportation, Ground
Abertis Infraestructuras SA	2 896	2010.07.05	26	ESP	Eversholt Investment Group SCS	Transportation, Ground
Eversholt Rail Group	2 597	2010.11.04	100	UK	Investor Group	Transportation, Ground
Groupe Norbert Dentressangle SA	2 527	2015.06.08	67	FRA	XPO Logistics Inc	Transportation, Ground
HS1 Ltd	2 498	2010.11.05	100	UK	XPO Logistics Inc	Transportation, Ground
ABP(Jersey)Ltd	2 201	2015.07.08	33	UK	Investor Group	Marine Services
Arriva PLC	1 909	2010.03.18	100	UK	Novorossiyskiy Morskoy Torgovy	Transportation, Ground
Total (TOP 10)	31 712					

TOP deals (2015)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
TNT Express NV	4 356	2015.04.07	n/a	NED	FEDEX Corp	Air Freight & Courier Services
Groupe Norbert Dentressangle SA	2 527	2015.06.08	67	FRA	XPO Logistics Inc	Transportation, Ground
ABP (Jersey) Ltd	2 201	2015.07.08	33	UK	Investor Group	Marine Services
TORM A/S	1 709	2015.07.13	42	DEN	Creditors	Marine Services
Finan Liman Hizmetleri Lojistik Denizcilik Ticaret ve Sanayi AS	834	2015.09.16	n/a	TUR	Euro-Asia Oceangate Sarl	Marine Services
Eurostar International Ltd	802	2015.03.04	n/a	UK	Patina Rail LLP	Transportation, Ground
Freightliner Group Ltd	697	2015.03.25	94	UK	Genesee & Wyoming Inc	Transportation, Ground
Esvagt A/S	552	2015.09.17	100	DEN	Investor Group	Marine Services
Derince Port-Operating Rights	478	2015.02.25	100	TUR	Safi Derince Uluslarari Liman	Marine Services
Golden Ocean Group Ltd	416	2015.03.31	100	NOR	Knightsbridge Shipping Ltd	Marine Services
Total (TOP 10, 2015)	14 572					

Source: Thomson Reuters Eikon

Central and Eastern Europe

TOP deals (2010-15)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
Tallink Group AS	117	2012.12.13	16	EST	Despina Capital SIA	Marine Services
AWT	103	2015.05.28	80	CZ	PKP Cargo	Transportation, Ground
MLP Group SA-MLP Tychy logistic park	63	2015.10.01	n/a	POL	WestInvest	Transportation, Ground
Ventamonjaks serviss SIA	56	2014.08.18	100	LAT	Polskie Koleje Gorskie SA	Transportation, Ground
Polskie Koleje Linowe SA	50	2013.05.23	100	POL	Segro PLC	Transportation, Ground
ORLEN KolTrans Sp zoo	45	2015.11.16	n/a	POL	PKP Cargotabor Sp zoo	Transportation, Ground
Logistics facilities, Strykow & Piaseczno(2)	45	2015.12.14	100	POL	Gramercy Property Europe plc	Transportation, Ground
Zeran Park II	43	2013.04.12	100	POL	NBGI Private Equity Ltd	Transportation, Ground
Panatonni D5 Logistics Park	35	2011.12.12	100	CZ	EFTEN Real Estate Fund	Transportation, Ground
EPI Baltic I Oy-Portfolio of Assets	30	2013.07.09	100	EST	Belarus'kaly	Transportation, Ground
Total (TOP 10)	589					

TOP deals (2015)

Target	Value (EURm)	Date	Percent Sought	Target country	Buyer	Segment
AWT	103	2015.05.28	80%	CZ	PKP Cargo	Target TRBC Industry Group
MLP Group SA-MLP Tychy logistic park	63	2015.10.01	n/a	POL	WestInvest	Transportation, Ground
ORLEN KolTrans Sp zoo	45	2015.11.16	n/a	POL	PKP Cargotabor Sp zoo	Transportation, Ground
Logistics facilities, Strykow & Piaseczno(2)	45	2015.12.14	100	POL	Gramercy Property Europe plc	Transportation, Ground
MLP Group SA-MLP Bierun logistic park	27	2015.10.01	n/a	POL	WestInvest	Transportation, Ground
ORLEN Transport SA	20	2015.11.16	n/a	POL	Tp Sp zoo	Air Freight & Courier Services
Luka Rijeka dd	15	2015.07.29	21	HR	OT LOGISTICS SA	Marine Services
Alpetour Potovalna Agencija dd	15	2015.09.16	59	SLO	Arriva Dolenjska in Primorska	Transportation, Ground
Avrigo dd	14	2015.11.24	n/a	SLO	Adventura Prevozi Holding doo	Transportation, Ground
Euronft Trzebinia Sp zoo-Rail Transportation&Maintenance Business	14	2015.11.16	n/a	POL	PKP Cargo SA	Transportation, Ground
Total (Top 10, 2015)	361					

Source: Thomson Reuters Eikon

Analysis performed by:

Heal Partners

About Heal Partners

Our Mission

Heal Partners Ltd. is an independent financial advisory firm, established in 2009 for the purpose of promoting capital supply for medium-sized companies operating in Central and Eastern Europe.

We serve private investors, private equity and private companies. We have had significant number of mandates with several returning clients since our foundation.

We are devoted for quality, learned through many years working for investment banks and professional advisory services firms.

Our Focus

Our main focus is corporate transaction services (company disposal, capital raising, acquisition advisory, external financing), preparation for transaction, business valuation and financial modeling.

We focus primarily on the following selected key industries in the Central and Eastern Europe, to ensure that we provide our clients with services of the highest quality:

- Pharmaceuticals and healthcare
- Telecommunications, media and technology
- Logistics and distribution

Our Background

Over the last 20 years our senior advisors gained relevant experience working for market-leading advisory firms in the CEE region executing many international corporate transaction advisory.

Our team members have completed around 200 successful projects, cooperating with a wide range of clients across the region, establishing a broad network of regional contacts over the years.

We are aware, based on our background, that every single mandates and clients are unique, even if we can rely on our previous experience.

We are members of Globalscope, a leading network of corporate finance advisers operating globally to support clients in cross-border transactions. (www.globalscopepartners.com)



Recent M&A References

<div>Pharmaceutical/Healthcare</div> <div>Heal Partners Ltd. acted as financial advisor to the private sellers of</div> <div> egészség-portál</div> <div>a leading health portal in Hungary in relation to it's sale to Doktor 24.</div> <div>Jan, 2014Heal Partners</div>	<div>Pharmaceutical/Healthcare</div> <div>Heal Partners Ltd. acted as financial advisor to Bankár Zrt. in relation to the sale of</div> <div></div> <div>July, 2013Heal Partners</div>	<div>Pharmaceutical/Healthcare</div> <div>Heal Partners Ltd. acted as financial advisor to</div> <div></div> <div>in relation to the sale of the 100% of the company to UPS Inc.</div> <div>July, 2013Heal Partners</div>
<div>Logistics/Distribution</div> <div>Heal Partners Ltd. acted as financial advisor to</div> <div></div> <div>in relation to the purchase of the assets of Deliterra Ltd.</div> <div>January, 2013Heal Partners</div>	<div>Telecom/Media/Technology</div> <div>Heal Partners Ltd. acted as financial advisor to</div> <div></div> <div>in relation to the disposal process of the polc.hu e-commerce portal.</div> <div>October, 2012Heal Partners</div>	<div>Pharmaceutical/Healthcare</div> <div>Heal Partners Ltd. acted as financial advisor to</div> <div></div> <div>in relation to the disposal process of 23 pharmacies owned by CEF Invest Ltd.</div> <div>June, 2011Heal Partners</div>
<div>Pharmaceutical/Healthcare</div> <div>Professionals of Heal Partners Ltd. acted as financial advisor to</div> <div></div> <div>in relation to the disposal of the economic weekly magazine, Figyelő.</div> <div>May, 2011Heal Partners</div>	<div>Telecom/Media/Technology</div> <div>Professionals of Heal Partners Ltd. acted as financial advisor to the sh of</div> <div></div> <div>in relation to the disposal of a majority shareholding in the company.</div> <div>April, 2011Heal Partners</div>	

About Globalscope

What we do

Our focus is on mergers and acquisitions (M&A) and managing the diverse issues arising in the implementation of business growth or reorganisation and realisation strategies whether this is through acquisition, divestment, sale, restructuring, international joint ventures or licensing initiatives.

We work with the senior management of private and public companies as well as private equity firms.

Who we are

Globalscope was founded in 1987 when a small group of entrepreneurial corporate finance and business advisers came together to support clients in cross-border transactions.

We now have 44 member firms, with more than 400 professionals on the ground across 38 countries:



Contacts



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Bertalan founded Heal Partners Ltd. in 2009 and he is co-owner and managing director of the firm. Bertalan is responsible for our pharmaceutical and healthcare industry business development and project execution.

Bertalan led or managed many transaction advisory, corporate valuation, financial modeling and strategic consulting projects gaining broad experience in client management and advisory services in Central Europe. He has also been involved in numerous equity capital markets and M&A transactions and assisted significant corporates and investors in Central Europe.

His most recent role was leading the regional Pharmaceutical and Healthcare Financial Advisory Team of Deloitte Central Europe. Earlier, he has worked in the corporate finance advisory of HSBC Investment Bank in London and previously of CA IB Securities (formerly Creditanstalt Securities) in Budapest.



Peter Karli
Managing Director
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Peter is co-owner and managing director of Heal Partners since 2011. Péter is responsible for our telecommunications, media and technology (TMT) and logistics and distribution business development and project executions.

He led or managed more than 80 projects in the fields of transaction advisory, corporate valuation, financial modeling and strategic advisory, gaining broad experience in client management and advisory services. His clients included several prominent telecom, media, IT and logistics companies of the CEE region.

Previously, he completed numerous successful projects at his own financial advisory firm, Qualus Consulting. Earlier, he led TMT technology financial advisory team of Deloitte Central Europe. Peter has also developed its TMT sector expertise also at Wood&Co., and at Magyar Telekom.

Definitions and notes

Definitions

TEV - “Total Enterprise Value”

TEV is an economic measure reflecting the market value of a whole business independent of a business’ capital structure. The analysis in this document calculates TEV as follows:

- For transaction data, by reference to the target company of each transaction, from the transaction consideration, share of equity acquired, and other disclosed details such as the target’s net debt, as at the transaction date,
- For listed company data, from the listed share price of each company, together with known details of its capital structure including issued shares and net debt, as at the stated date.

EBITDA - “Earnings Before Interest, Tax, Depreciation and Amortisation”

EBITDA is a business’ net income with interest, taxes, depreciation and amortisation added back which is often taken as a proxy for the cash generation rate of a business. The analysis in this document calculates EBITDA as follows:

- For transaction data, by reference to the target company of each transaction, from the most recent known historic 12 months’ reported value as at the transaction date,
- For listed company data, from the most recent known historic 12 months’ reported value as at the stated date.

TEV/Sales - “TEV/Sales Multiple”

The TEV/Sales Multiple is calculated for each listed company where the required data is disclosed.

In the report the median of company multiples was applied.

TEV/EBITDA - “TEV/EBITDA Multiple”

The TEV/EBITDA Multiple is calculated for each listed company where the required data is disclosed.

In the report the median of company multiples was applied.

Sectors

The sector classifications used in this document are Globalscope and Heal Partners defined aggregations of similar business activities based on sub-sectors defined by reference to the primary Capital IQ industry classification as follows:

- For transaction data, the target company of each transaction,
- For listed company data, each listed company.

Regions

The regional classifications used in this document are defined by reference to the Capital IQ regional classification as follows:

- For transaction data, the target company of each transaction,
- For listed company data, each listed company.

CEE Region

CEE Region includes Bulgaria (BG), Croatia (HR), the Czech Republic (CZ), Hungary (HUN), Poland (PL), Romania (RO), Serbia (SRB), Slovakia (SK), Slovenia (SLO), Estonia (EST), Latvia (LV) and Lithuania (LT)

