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Betreff **CMS Emerging Europe M&A Report 2018/2019**

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CMS Emerging Europe M&A Report 2018/2019: Value of Transactions Grew to 80.5m EUR

Strong economic growth in the CEE/SEE countries coupled with a stable global economic situation over large parts of the year provided a favourable starting position for brisk M&A activity in the region in 2018. The recently launched Emerging Europe M&A Report, published by international law firm CMS in collaboration with EMIS, shows that the value of transactions rose 12.5% to 80.5 billion euros in 2018 thanks to some "mega deals". This is the second highest value in the last five years.

As the largest economy in the region, **Russia** was able to celebrate the largest number of deals (605), even though this was 10% lower than the previous year and Russia achieved its worst result since the publication of the first report in 2012. This was due to sluggish economic growth, estimated by the IMF at 1.7%. **Poland** (323) and **Turkey** (193) ranked second and third in terms of the number of transactions.

Highfliers Serbia and Albania

Serbia, **Slovakia** and **Slovenia** were the up-and-coming stars of the region and enjoyed a strong increase in M&A activity. Serbia recorded records in both the number of transactions and the volume of deals, with the value of transactions growing by 737% and their volume by 40% compared to the previous year. The sale of a stake in RTB-Mining to Chinese Zijn for EUR 1.0 billion and the privatisation of Nikola Tesla Airport contributed to this. **Albania** achieved even higher growth rates: with an increase of 1,054.5% in the value of transactions and of 300% in transaction volume, the country achieved the highest growth over the previous year.

Radivoje Petrikić, Partner, CMS CEE Corporate Practice Partner and Head of CMS Serbia says*: "There is a lot of potential for growth and development in the Balkans which is why it is attracting interest from international investors. The challenge for them is the availability of the right targets."*

The largest foreign investor in CEE/SEE in 2018 was the UK (EUR 9.77 billion), replacing China, which had dominated in 2017 – although that was largely due to the $9 billion investment in the CEFC China Energy/Rosneft deal. In 2018, China slipped to 5th place among foreign investors. As in 2017, American investors led the ranking by number of deals in 2018 with a total of 89 transactions. Overall, the value of cross-border investments rose by 20.1% to EUR 53.4 billion, while the value of domestic transactions remained stable at EUR 27.1 billion.

Helen Rodwell, CMS CEE Corporate Practice Partner comments**:** *"M&A activity has been surprisingly buoyant. Markets have reached a size and level of sophistication that makes them more aligned to western European expectations and standards and that is reflected in interest from international investors including private equity funds and corporates."*

Industries: Telecommunications and IT sectors are big winners

The growing demand for mobile telephony, broadband and cable and a wave of consolidation across Europe have catapulted the **telecommunications and IT sectors** to the top of the rankings with a deal volume of EUR 18.18 billion. The **real estate and construction sector** was particularly active in 2018 with a deal increase of 10.8% (432 deals). The **private equity** sector also continued to flourish in CEE/SEE, especially because international companies are increasingly interested in this sector. This is also confirmed by the figures in the current report: the number of transactions rose by 15% to 305, almost reaching the peak of 2015.

Looking to the future, **Stefan Stoyanov, Global Head of M&A Database, EMIS** says: *"Once the uncertainty around Brexit is resolved, there could be some uptick in M&A as investment plans put on hold are likely to resume. Free capital at PE and pension funds will not sit idle for long and although the general feeling is that the region might be turning a bit more volatile than before, the challenges will surely also create opportunities for those quick to adapt and with deep pockets."*

The key findings of the study at a glance

- The **deal value in CEE/SEE region** increased 12.5% to 80.5 billion euros in 2018;
- The **telecommunications and IT sectors** reported four of the ten largest deals in the region and were at the top of the list in terms of value;
- **Real estate** was the most active sector in the region (432 deals), 10.8% more than in 2017;
- In 2018, **private equity** flourished with a 15% increase in the total number of transactions. The sector handled five transactions with a volume of more than 1 billion euros;
- **Russia** recorded the largest number of deals (605), followed by Poland (323) and Turkey (193);
- **Albania** achieved the highest growth compared to the previous year, with an increase of 1,054.5% in the value of transactions and an increase of 300% in transaction volume; and

- **Serbia** recorded record figures: The value of the transactions grew by 737% compared to the previous year, the transaction volume by 40%.

About the Emerging Europe M&A Report 2018
Based on EMIS M&A data for the period 2012-2018, the “Emerging Europe M&A Report 2018” highlights current trends in 15 CEE/SEE countries - Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. These are accompanied by comments, analyses and forecasts from CMS experts. You can download the guide at cms.law.

A photo of Radivoje Petrikić for use free of charge can be found here.

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Über CMS Reich-Rohrwig Hainz
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Dabei erarbeiten wir für Sie sowohl juristisch fundierte als auch - unter Bedachtnahme auf Ihre kommerziellen Ziele - pragmatische Lösungen, die den wirtschaftlichen Erfordernissen Ihres Unternehmens bestmöglich entsprechen. Wir haben eigene Büros in Wien, Belgrad, Bratislava, Brüssel, Istanbul, Kiew, Ljubljana, Podgorica, Sarajewo, Sofia und Zagreb. Gemeinsam mit unseren zehn CMS Partnerkanzleien bieten wir unseren Klienten ein Team von mehr als 600 erfahrenen Spezialisten in 15 Büros in der CEE/SEE-Region. cms.law

Über CMS
Im Jahr 1999 gegründet ist CMS gemessen an der Anzahl der Rechtsanwälte heute eine der zehn führenden internationalen Kanzleien und die größte Kanzlei in Europa (Am Law 2016 Global 100) mit einem breiten Angebot an spezialisierter Beratung. Mit mehr als 4.500 Rechtsanwälten und 72 Büros in 41 Ländern verfügt CMS über langjährige lokale sowie auch grenzübergreifende Expertise. Zu den CMS Mandanten gehören etliche der in den Listen Fortune 500 und FT European 500 vertretenen Unternehmen sowie die Mehrheit der DAX-30-Unternehmen. Im Jahr 2016 erwirtschaftete die Kanzlei einen Gesamtumsatz von 1,05 Mrd. EUR.

Die breitgefächerte Expertise von CMS erstreckt sich auf insgesamt 19 Branchen und Fachbereiche, darunter Arbeits- und Pensionsrecht, Banking & Finance, Commercial, Dispute Resolution, Energiewirtschaft, Fonds, Gesellschaftsrecht/M&A, Gewerblicher Rechtsschutz, Kartellrecht & EU, Lifesciences, Real Estate, Steuerrecht sowie TMT (Technologie, Medien & Telekommunikation). Für mehr Informationen besuchen Sie uns auf cms.law

CMS-Büros und verbundene Büros: Aberdeen, Algier, Amsterdam, Antwerpen, Barcelona, Belgrad, Berlin, Bogotá,, Bratislava, Bristol, Brüssel, Budapest, Bukarest, Casablanca, Dubai, Düsseldorf, Edinburgh, Frankfurt/Main, Genf, Glasgow, Hamburg, Istanbul, Kiew, Köln, Leipzig, Lima, Lissabon, Ljubljana, London, Luxemburg, Lyon, Madrid, Mailand, Maskat, Medellín, Mexiko-Stadt, Monaco, Montenegro, Moskau, München, Paris, Peking, Podgorica, Prag, Rio de Janeiro, Rom, Santiago de Chile, Sarajevo, Sevilla, Shanghai, Sofia, Straßburg, Stuttgart, Tirana, Utrecht, Warschau, Wien, Zagreb und Zürich.

Über EMIS
EMIS ist in Ländern tätig, in denen eine hohe Vergütung mit einem hohen Risiko einhergeht. Die EMIS-Plattform bietet zeitkritische, schwer zugängliche, relevante Nachrichten, Forschungs- und Analysedaten, Peer-Vergleiche und mehr für über 120 Schwellenländer. EMIS lizenziert Inhalte von den besten makroökonomischen Experten der Welt, den renommiertesten Branchenforschungsunternehmen und den maßgeblichen Nachrichtenanbietern. Dies wird mit firmeneigenem Unternehmens- und M&A-Research kombiniert, um eine facettenreiche Sicht auf jeden Schwellenmarkt zu bieten. EMIS wurde vor über 20 Jahren gegründet und beschäftigt fast 300 Mitarbeiter in 13 Ländern der Welt, die fast 2.000 Kunden mit Informationen versorgen. EMIS ist Teil der ISI Emerging Markets Group. Für weitere Informationen besuchen Sie bitte emis.com.