



## M&A Newsletter

Healthcare, Logistics, TMT in Europe and in CEE in 2020



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*Heal Partners was established in 2009 with the purpose of promoting capital supply for medium-sized companies operating in Central and Eastern Europe. Heal Partners merged its operations with a similar private financial advisory firm in 2011.*

*Our main profile is corporate transaction services (disposal, capital raising, acquisition advisory, external financing), preparation for transaction, business valuation and financial modelling.*

*Over the last 20 years our senior advisors have gained relevant experience working for market-leading advisory firms in the CEE region. They 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 have enough knowledge from the past to understand that every single mandate and client is unique, even if we can rely on our previous experience. We have had significant number of mandates since our foundation with many returning clients.*

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# Recent Transaction - References

Pharmaceutical/Healthcare

Heal Partners acted as sell-side advisor to the owners of




in relation to the sale of 100% to Doktor24 Group.


 **Heal Partners** March, 2020

Pharmaceutical/Healthcare

Heal Partners acted as buy-side advisor to



in relation to the invest in Doktor24 group.

 **Heal Partners** March, 2020

Telecom/Media/Technology

Heal Partners acted as sell-side advisor to



in relation to the sale of VT-Soft Kft. to Libra Szoftver Zrt.

 **Heal Partners** August, 2019

Pharmaceutical/Healthcare

Heal Partners acted as financial advisor to



in its acquisition of majority stake in Rózsakert Medical Center.

 **Heal Partners** January, 2019

Pharmaceutical/Healthcare

Heal Partners acted as financial advisor to Lochlomond and Euroventures in relation to the sale of




to UQUIFA S.A.

 **Heal Partners** May, 2018

Media/Technology

Heal Partners acted as financial advisor to the owners of Nosalty Zrt. in relation to the sale of 100% of



to Central Digitális Media Kft.

 **Heal Partners** October, 2017

Logistics/Distribution

Heal Partners acted as financial advisor to GP-LK Gasztro Prémium Kft. in relation to the purchase of the assets of



 **Heal Partners** September, 2017

Logistics/Distribution

Heal Partners acted as financial advisor to CRH Europe Heavyside in relation to the sale of 100% of



to Petrolsped Ltd.

 **Heal Partners** June, 2017





# Healthcare

# HEALTHCARE

Sector M&A highlights – 2020 H1

## Healthcare sector, the great resistant

Healthcare was the least affected of the 3 analysed sectors by the Covid pandemic, however we can still see material negative change here (-17% year-on-year) in deal volumes in Europe.

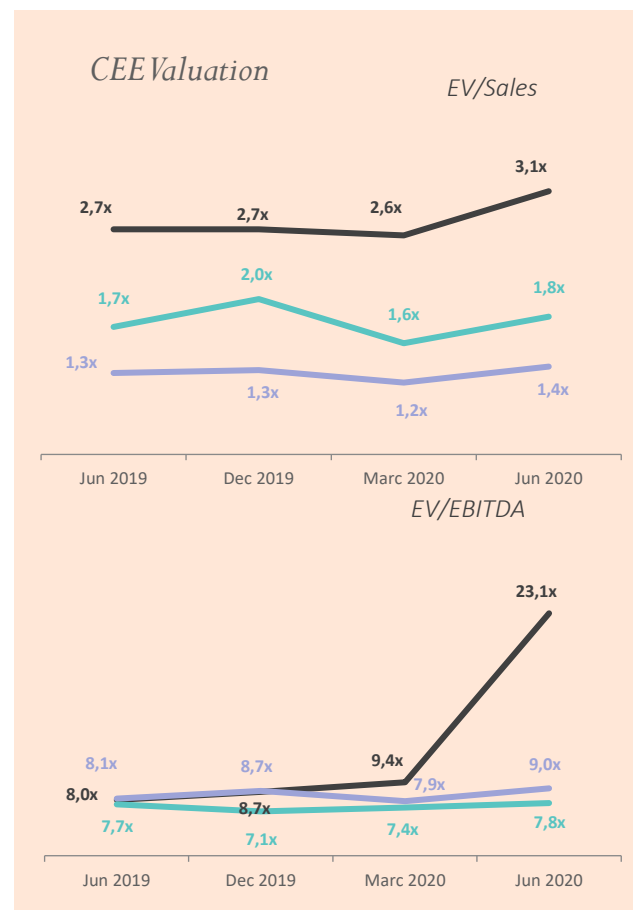
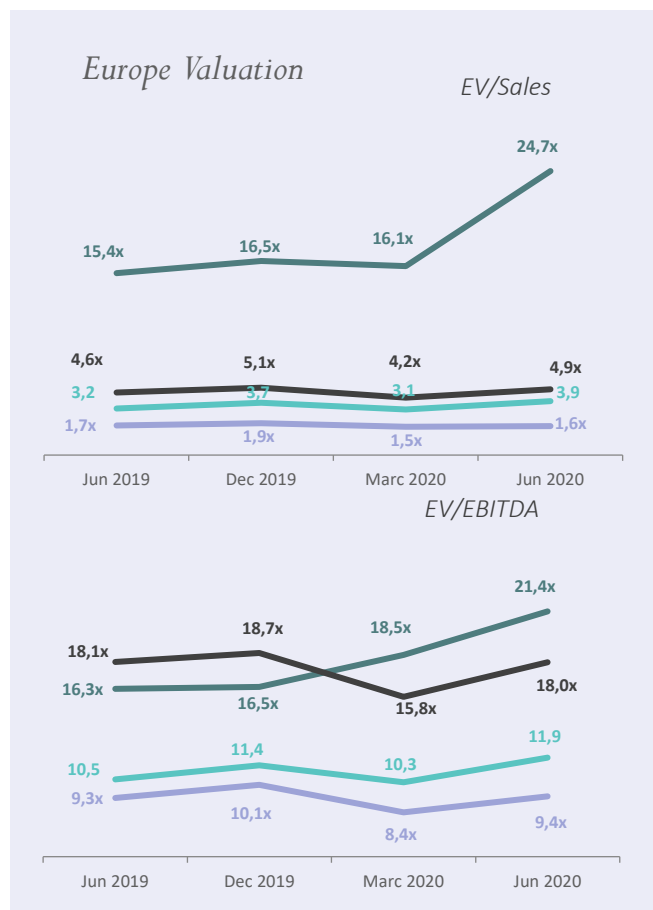
The milder decrease was the result of a mixed impact of the pandemic on the sector: some subsegments even grew such as urgent care, protective equipment and preventive therapies while elective care and related products and services suffered a close to 100% stoppage for couple of months. We can find example for the extreme impact in our region (CEE) if we take a closer look at EV/EBITDA multiples. The Healthcare Equipment & Supplies subsector's multiple has risen sharply in the CEE region, which was mainly driven by a Polish manufacturer of protective masks and gloves.

The Healthcare Providers & Services subsector was the largest contributor to transaction volumes both in Europe and CEE (accounting for 38% in Europe and 43% in CEE of the total), while the Pharmaceutical subsector was able to gain in volume in the CEE region.

Regarding the valuation multiples, we can see that almost all subsectors' multiple getting back or exceeded their level of same period last year both in Europe and CEE after the majority of them suffered a double-digit negative change in 2020 Q1.

# HEALTHCARE

## Sector M&A highlights – 2020 H1



Except biotechnology, all healthcare segments experienced perceptible decline during COVID lockdown.

Valuation levels have already started to recover and in most of the segments already exceeded 2019 June levels.

Outlier data of CEE Healthcare equipment and supplies segment was driven mainly by one singly company (Polish producer of masks and gloves) with extreme positive results during pandemic.

Due to lack of data, our CEE valuation excludes Biotech segment.

- Biotechnology
- Healthcare Equipment & Supplies
- Healthcare Providers & Services
- Pharmaceuticals

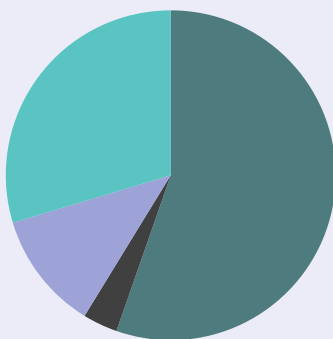
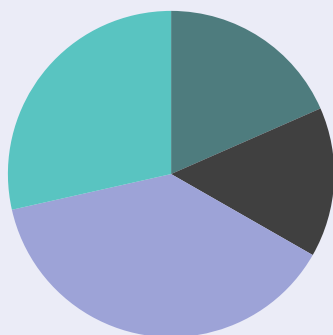
Note: Valuation figures are based on data of publicly listed companies available in Refinitive Eikon (former Thomson Reuters)

# HEALTHCARE

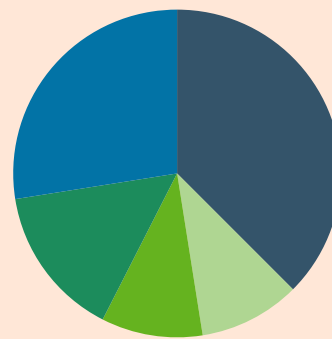
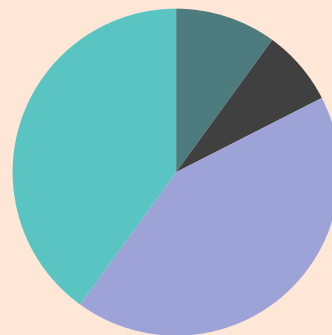
## European and CEE M&A trends & market analysis

\*Data based on both private and public companies related transactions. Availability of deal value data was only 32% of the total deal count in 2019, which limit our analysis.

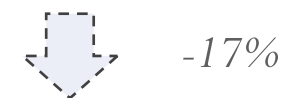
*Deals in Europe  
2020 H1*



*Deals in CEE  
2020 H1*



*Europe Transaction activity*

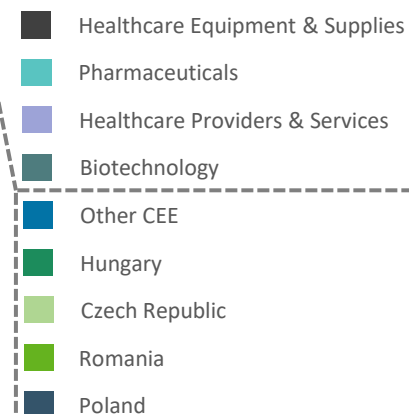


2020 H1 Volume change  
(compared to 2019 H1 volume)

*CEE Transaction activity*



2020 H1 Volume change  
(compared to 2019 H1 volume)





### TOP 10 transactions - Europe

Nr.	Target	Deal Value (mEUR)	Date Effective	Percentage sought	Target Nation	Buyer	Segment
1	Acute Care Hospital Facilities(30)	1760,5	2020.01.08	100	United Kingdom	Medical Properties Trust Inc	Healthcare Providers & Services
2	Veloxis Pharmaceuticals A/S	1171,0	2020.02.24	100	Denmark	Asahi Kasei Pharma Denmark A/S	Biotechnology & Medical Research
3	Glycom A/S	765,0	2020.03.31	100	Denmark	Koninklijke DSM NV	Pharmaceuticals
4	Takeda Pharmaceutical Co Ltd-Pharmaceutical Portfolio	593,2	2020.03.04	100	Russia	STADA Arzneimittel AG	Pharmaceuticals
5	Consort Medical PLC	582,0	2020.03.06	100	United Kingdom	Recipharm Holdings Ltd	Healthcare Equipment & Supplies
6	Rhoen Klinikum AG	512,4	2020.07.08	43	Germany	Asklepios Kliniken GmbH & Co KGaA	Healthcare Providers & Services
7	DMV-Fonterra Excipients GmbH & Co KG	387,5	2020.01.23	50	Germany	CVC Capital Partners Strategic Opportunities II LP	Pharmaceuticals
8	AstraZeneca PLC-Commercial Rights(5)	353,8	2020.03.02	100	United Kingdom	Atnahs Pharma UK Ltd	Pharmaceuticals
9	Pensa Investments SL	329,0	2020.01.31	100	Spain	Towa Pharmaceutical Co Ltd	Pharmaceuticals
10	Sanofi SA-Septrafilm Adhesion Barrier	317,7	2020.02.18	100	France	Baxter International Inc	Pharmaceuticals
<b>Total (TOP deals)</b>		<b>6 772,2</b>					

### TOP 3 transactions - CEE

Nr.	Target	Deal Value (mEUR)	Date Effective	Percentage sought	Target Nation	Buyer	Segment
1	Praha Vaccines As	152,1	2020.05.26	100	Czech Republic	Novavax Inc	Pharmaceuticals
2	Doktor 24 Medicina Zrt	10,0	2020.03.19	57	Hungary	Investor Group	Healthcare Providers & Services
3	Polski Bank Komorek Macierzystych SA	10,0	2020.03.12	7	Poland	AOC Health GmbH	Healthcare Providers & Services
<b>Total (TOP deals)</b>		<b>172,1</b>					



# Logistics

# Logistics

Sector M&A highlights – 2020 H1

## M&A activity hit by COVID in Logistics sectors, recovery of valuation is slow

M&A deal activity decreased significantly in the Logistics sector in 2020 H1 compared to the same period in the previous year. European deal count decreased by 45%, while CEE volume dropped by 24%.

In both regions ground transportation, comprising road and rail transportation and forwarding, as well as warehousing, dominated the sector with around 80%.

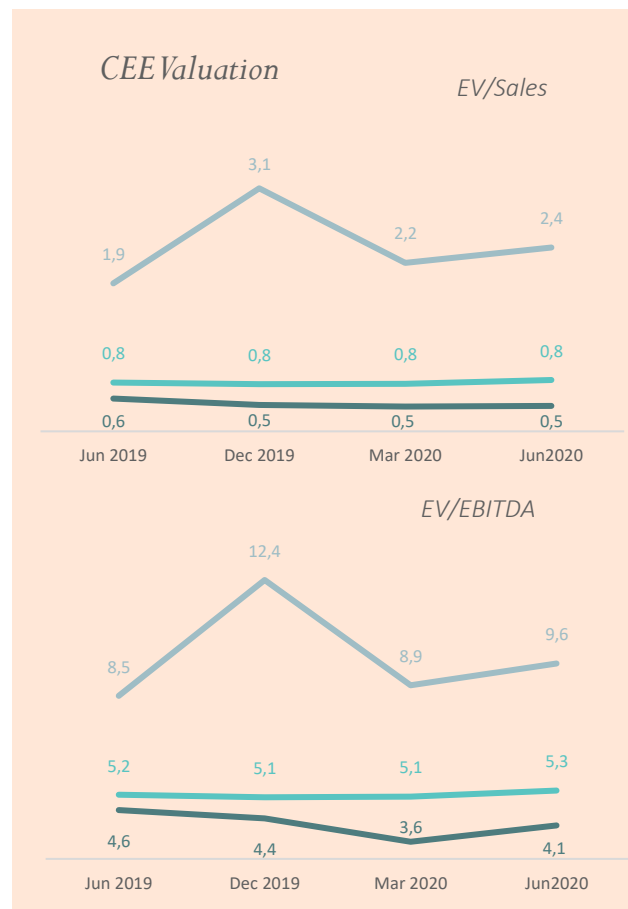
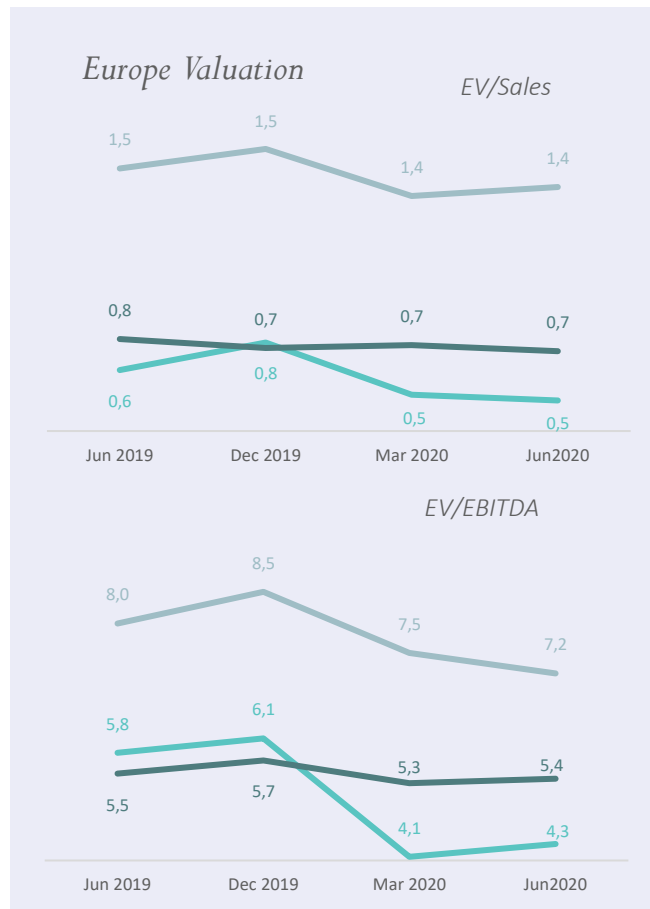
Average deal size also decreased, however low availability of specific transaction data (i.e. transaction value) limits our analysis.

Effect of COVID and lockdown is visible on 2020 March valuation levels, however size of drop in sales and EBITDA multipliers are less significant than in other sectors and rebound has been already started.



# Logistics

## Sector M&A highlights – 2020 H1



2020 spring lockdown hit Logistics segments very differently. Air freight and Marine got hard hit, while Courier performed well.

Valuation levels (sector multipliers) slowly started to recover and approach 2019 June rates.

- Air freight and Courier services
- Marine services
- Transportation, Ground

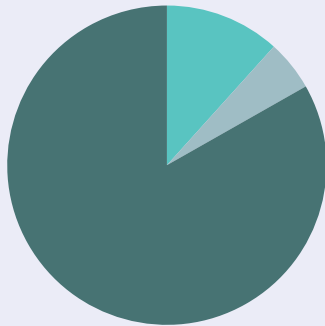
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# Logistics

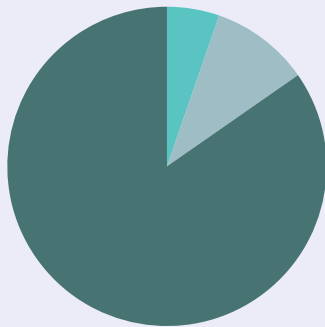
## European and CEE M&A trends & market analysis

\*Data based on both private and public companies related transactions. Availability of deal value data was only 28% of the total deal count in 2020 H1, which limit our analysis.

Deals in Europe  
2020 H1

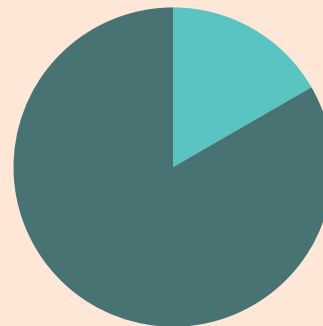


Deal volume by segments

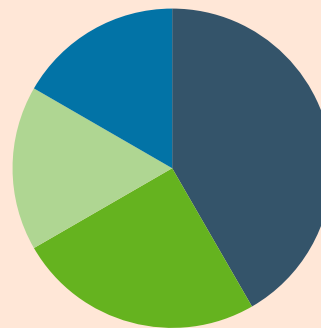


Deal value by segment

Deals in CEE  
2020 H1

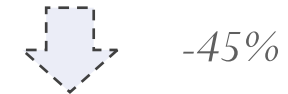


Deal volume by segments



Deal value by countries

Europe Transaction activity



2020 H1 Volume change  
(compared to 2019 H1 volume)

CEE Transaction activity



2020 H1 Volume change  
(compared to 2019 H1 volume)

- Air freight and Courier services
- Marine services
- Transportation, Ground

- Poland
- Baltics
- Czech Republic
- Other CEE



### TOP 10 transactions - Europe

Nr.	Target	Deal Value (mEUR)	Date	Percentage sought	Target Nation	Buyer	Target's Segment
1	Apollo Global Management LLC-Logistics Real Estate Portfolio	950,0	2020.01.31	100,0	Germany	GIC Pte Ltd	Ground transportation
2	Rubis Terminal SA	397,2	2020.01.21	45,0	France	I Squared Capital Advisors LLC	Ground transportation
3	Fosmax LNG SAS-Gas Terminal	236,4	2020.02.06	27,5	France	Elengy SA	Marine and inland water freight
4	Fosmax LNG SAS	236,4	2020.02.06	27,5	France	Elengy SA	Marine and inland water freight
5	Undisclosed Logistics Assets(3)	215,0	2020.06.17	100,0	Netherlands	Nuveen Real Estate Ltd	Ground transportation
6	Healthcare of Ontario Pension Plan-Maple Logistics Portfolio	200,0	2020.05.06	100,0	Germany	Investor Group	Ground transportation
7	Ares Management Corp-Pan European Logistics Portfolio(40)	191,0	2020.03.09	32,1	France	Investec Property Fund Ltd	Ground transportation
8	Logistics Assets	135,0	2020.06.02	100,0	France	Nuveen Real Estate Ltd	Ground transportation
9	Vopak Terminal Algeciras SA	125,0	2020.01.31	100,0	Spain	First State Investments (UK) Ltd	Ground transportation
10	Fowler Welch Ltd	109,0	2020.05.31	100,0	United Kingdom	Culina Group Ltd	Ground transportation
<b>Total (TOP deals)</b>		<b>2 795,0</b>					

### TOP 2 transactions - CEE

Nr.	Target	Deal Value (mEUR)	Date	Percentage sought	Target Nation	Buyer	Target's Segment
1	Panattoni Europe Sp z o o-Logistics Center	32,7	2020.02.06	100,0	Poland	Savills Investment Management LLP	Ground transportation
2	Miesto logistika UAB	2,2	2020.06.29	0,0	Lithuania	Investor Group	Air freight & Courier services
<b>Total (TOP deals)</b>		<b>34,9</b>					







TMT



# TMT

## Sector M&A highlights – 2020 H1

### Technology provided strong support to deal volumes

The European TMT M&A market also slowed down in 2020 H1 in terms of transaction volume. The 22% decrease in number of transactions compared to the same period last year is a reflection of general economic uncertainty and the strong resistance of the Technology and the Software & IT Services subsector's to the general negative trends. Such resistance is mainly driven by the wider acceptance of remote work and jump in demand for related technologies and the shift to digital in the consumption habits of millions of people who stuck at home during the last few months. This is demonstrated by the fact that transaction volumes in the Software & IT Services and Technology subsectors changed very moderately year-on-year.

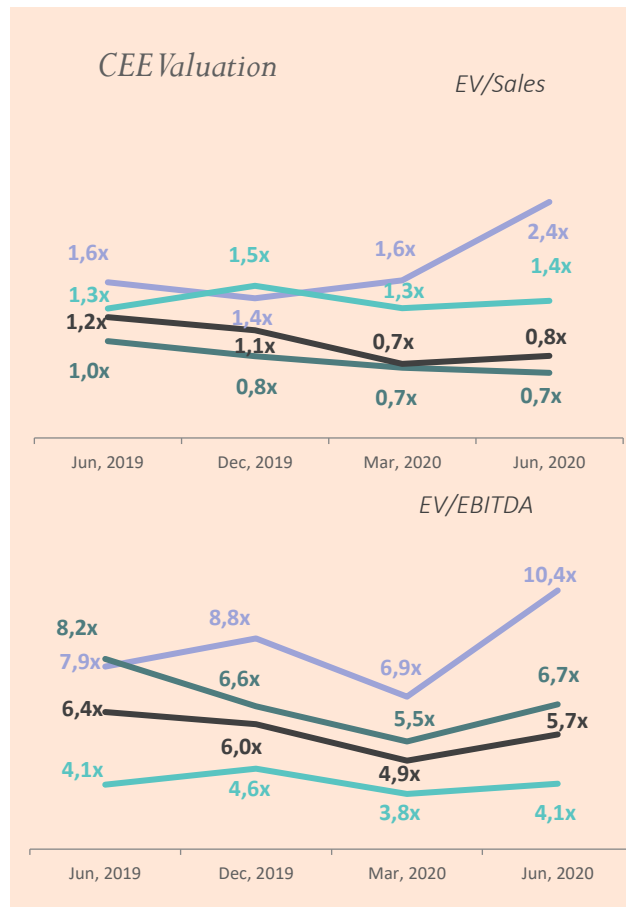
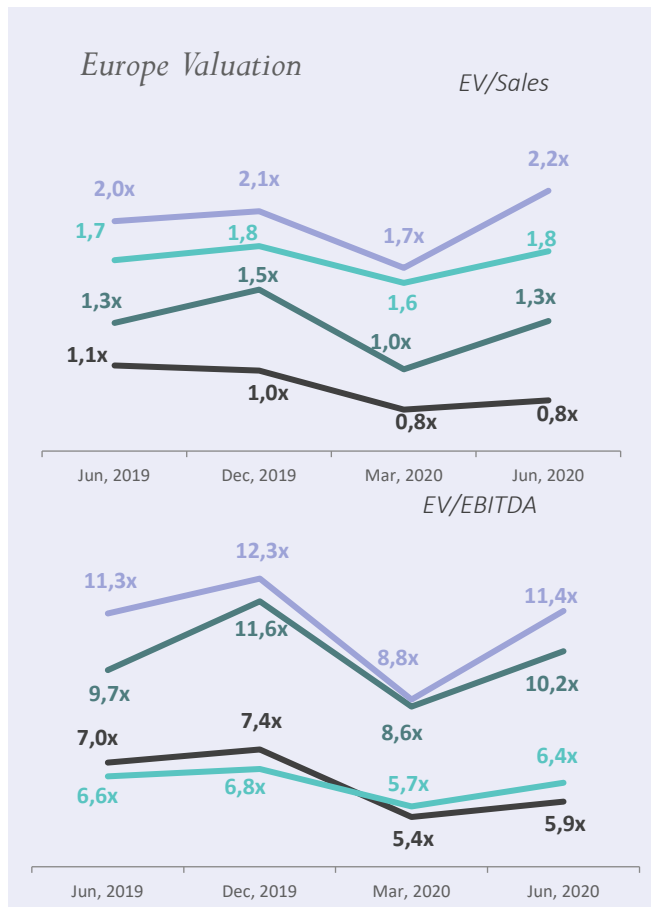
Interestingly, the Technology subsector in CEE was the only one that was able to grow in terms of number of transactions.

The Software & IT Services subsector is still the largest in transaction volumes, accounting for 64% of all TMT deals in Europe. In terms of overall deal value, the Software & IT Services subsectors is also leading head to head with the Telecommunications Services subsector.

Regarding the valuation multiples, we can see a healing process on the market. Almost all multiples getting back or exceeded their 2019 H1 level except the Media & Publishing subsector, which is still struggling.

# TMT

## Sector M&A highlights – 2020 H1



COVID lockdown affected European TMT sectors significantly (15-30% drop).

By June 2020 valuation multipliers started to recover and even provided YoY growth in some segments.

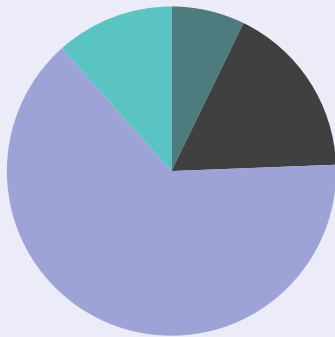
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# TMT

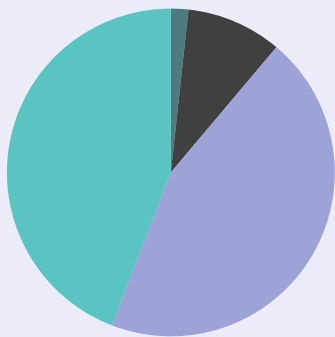
## European and CEE M&A trends & market analysis

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*Deals in Europe  
2020 H1*

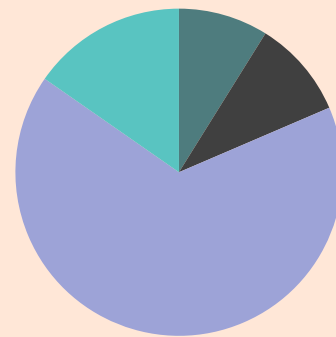


*Deal volume by segments*

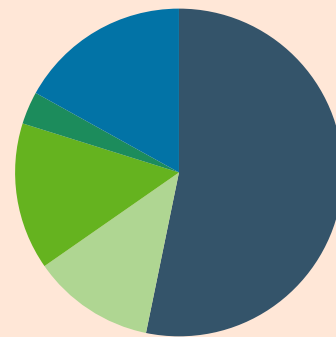


*Deal value by segment*

*Deals in CEE  
2020 H1*



*Deal volume by segments*



*Deal value by countries*

*Europe Transaction activity*



*2020 H1 Volume change  
(compared to 2019 H1 volume)*

*CEE Transaction activity*



*2020 H1 Volume change  
(compared to 2019 H1 volume)*



### TOP 10 transactions - Europe

Nr.	Target	Deal Value (mEUR)	Date Effective	Percentage sought	Target Nation	Buyer	Segment
1	InterXion Holding NV	6 453,0	2020.03.13	100	Netherlands	Digital Realty Trust Inc	Software
2	Veeam Software Group GmbH	4 503,3	2020.03.02	100	Switzerland	Insight Venture Partners LLC	Software
3	Sophos Group PLC	3 388,0	2020.03.02	100	United Kingdom	Surf Buyer Ltd	Software
4	Axel Springer SE	3 052,0	2020.01.23	45	Germany	Traviata II SARL	Media
5	AutoScout24 GmbH, FFG FINANZCHECK Finanzportale GmbH	2 892,0	2020.03.31	100	Germany	Hellman & Friedman LLC	Software
6	MEO Servicos de Comunicacoes e Multimedia SA-Altice Portugal FTTH	2 323,0	2020.04.19	50	Portugal	Morgan Stanley Infrastructure Partners LP	Telecoms
7	RIB Software SE	1 427,9	2020.07.09	100	Germany	Schneider Electric SE	Software
8	Iliad SA	1 400,0	2020.01.27	20	France	Iliad SA	Telecoms
9	DNA Oyj	1 267,2	2020.02.03	46	Finland	Telenor Mobile Holding AS	Telecoms
10	Agfa HealthCare NV-IT activities	975,0	2020.05.04	100	Belgium	Dedalus Holding SpA	Software
<b>Total (TOP deals)</b>		<b>27 681,4</b>					

### TOP 3 transactions - CEE

Nr.	Target	Deal Value (mEUR)	Date Effective	Percentage sought	Target Nation	Buyer	Segment
1	Tele2 Hrvatske	220,0	2020.03.03	100	Croatia	United Group	Telecoms
2	Netrisk.Hu Elso Online Biztositasi Alkusz Kft	55,5	2020.01.08	75	Hungary	TA Associates Management LP	Software
3	All In Games Sp z o o	27,3	2020.06.05	100	Poland	Setanta SA	Software
<b>Total (TOP deals)</b>		<b>302,8</b>					



# Definitions and notes

## **EV - “Enterprise Value”**

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

## **EV/Sales - “EV/Sales Multiple”**

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

In the report the median of company multiples was applied.

## **EV/EBITDA - “EV/EBITDA Multiple”**

The EV/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)

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