



M&A Radar: Ukraine

February 20, 2020

2019 review

Presenter



Peter Latos

Partner

Head of Advisory

1. Global
2. CESEE
3. Ukraine
4. Outlook

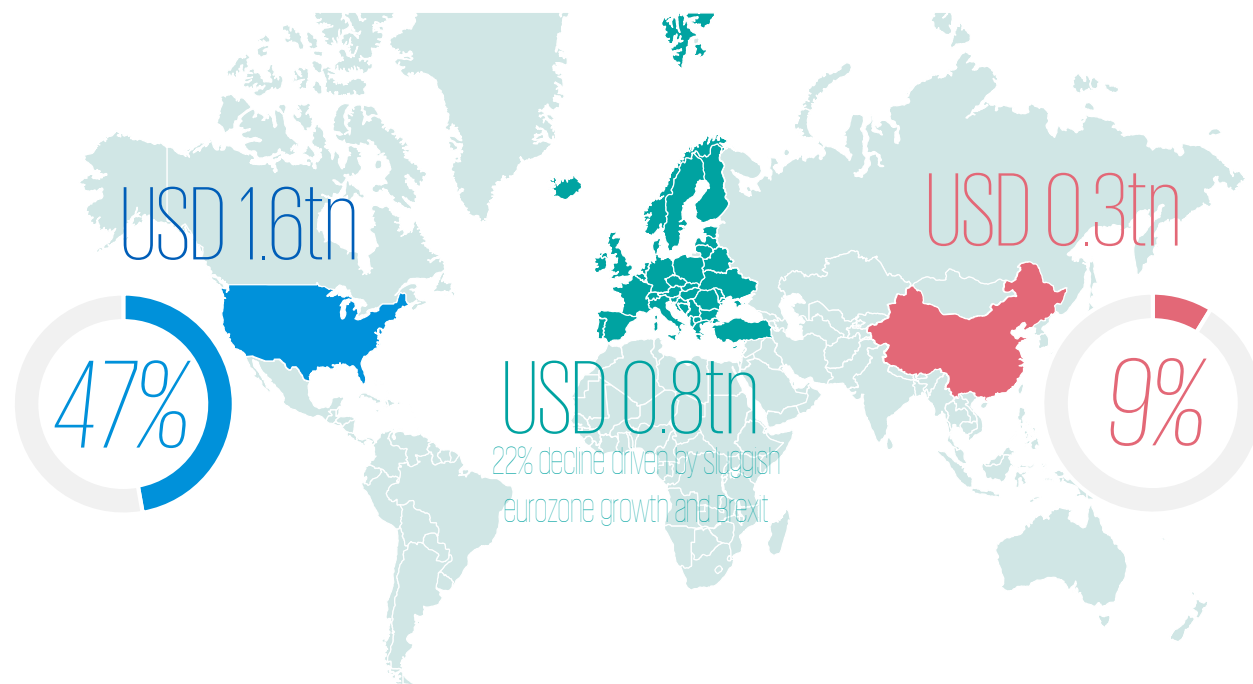
1. Global

7% ↓ Value
USD 3.3tn

4% ↓ Volume
19.3k deals

10% ↑ Average value
USD 398m

11.6x ↑ PE multiple
EV / EBITDA



Industrial & Chemicals
USD 524m / 16%

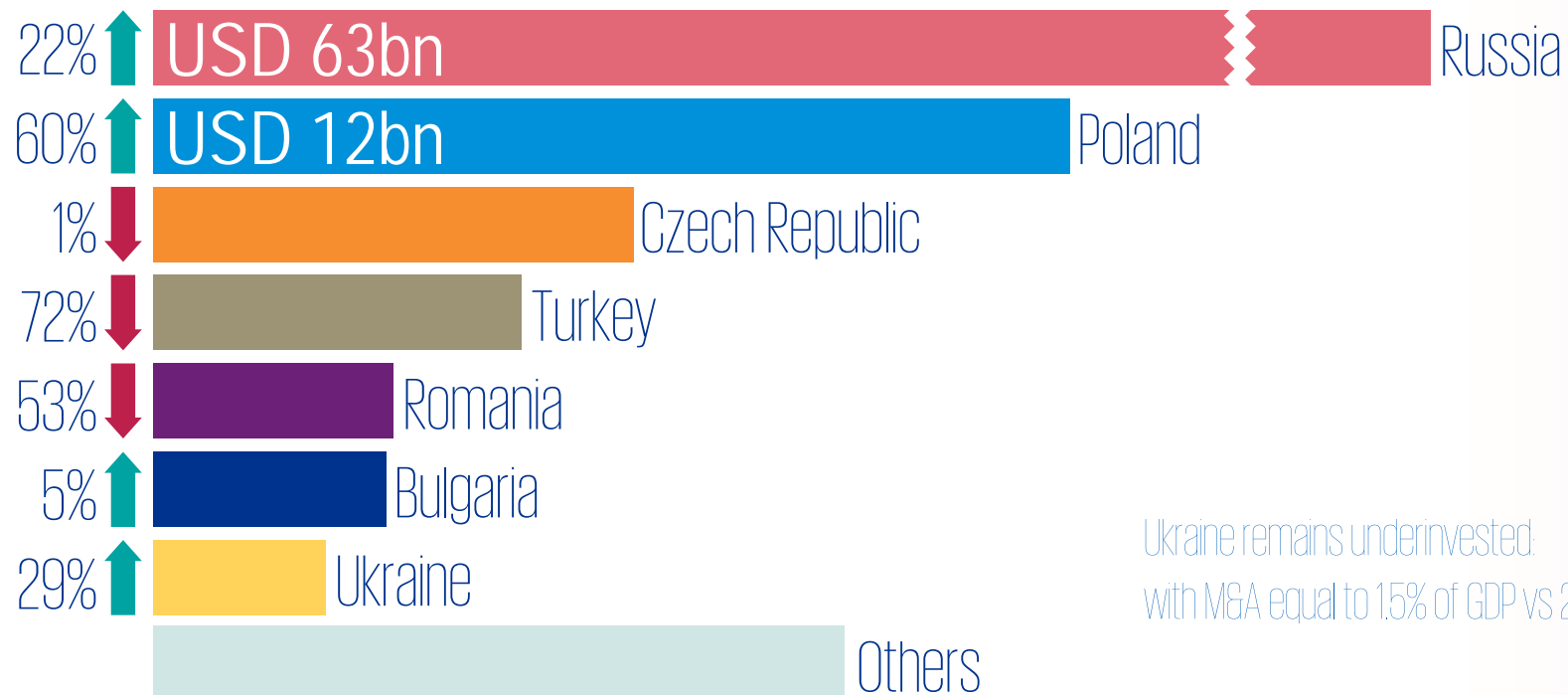


Healthcare & Pharma
USD 477m / 14%

2. CESEE

9% ↓ Value
USD 104bn

7% ↓ Volume
1,975 deals



The IMF groups 22 countries as
Central, Eastern and Southeastern Europe



Ukraine remains underinvested:
with M&A equal to 1.5% of GDP vs 2.4% for CESEE,

3. Ukraine: headlines

3rd consecutive year of double-digit growth in deal value

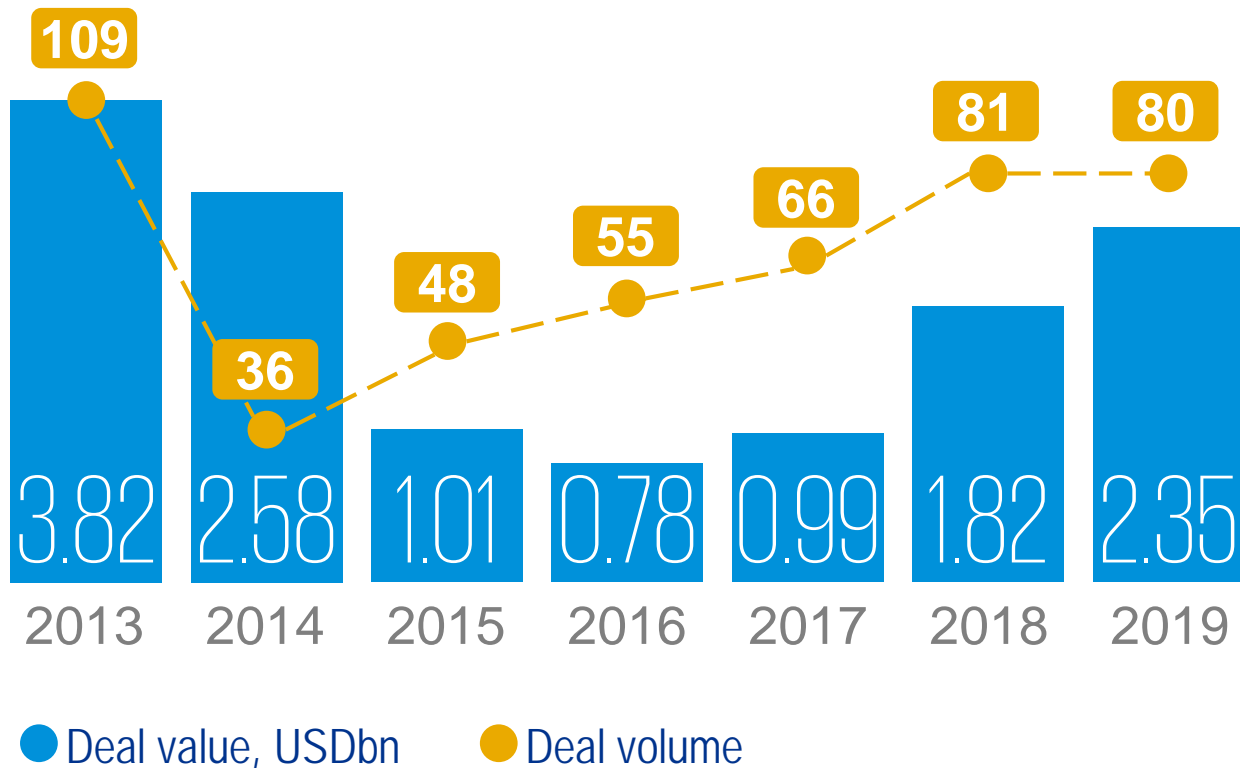
Value of inbound M&A exceeded domestic deal making

Bakcell acquisition of Vodafone Ukraine was 25th largest deal in CESEE

Real estate and construction, and agriculture remain most active sectors

Despite of some headwinds, outlook remains positive for 2020

3. Ukraine: deal activity



29% ↑ Value
USD 2.35bn

12pts ↑ Transparency
59%

4% ↑ Average value
USD 50m

22% ↑ Significant deals
5 ≥ USD100m

3. Ukraine: key sectors

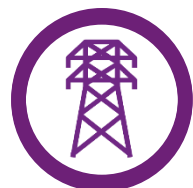
Value



USD 754m
3 deals



USD 468m
16 deals



USD 250m
5 deals

63% of value

Transparency

67%

75%

40%

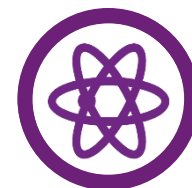
Volume



16 deals
USD 468m



15 deals
USD 225m



8 deals
USD 222m

48% of volume

Transparency

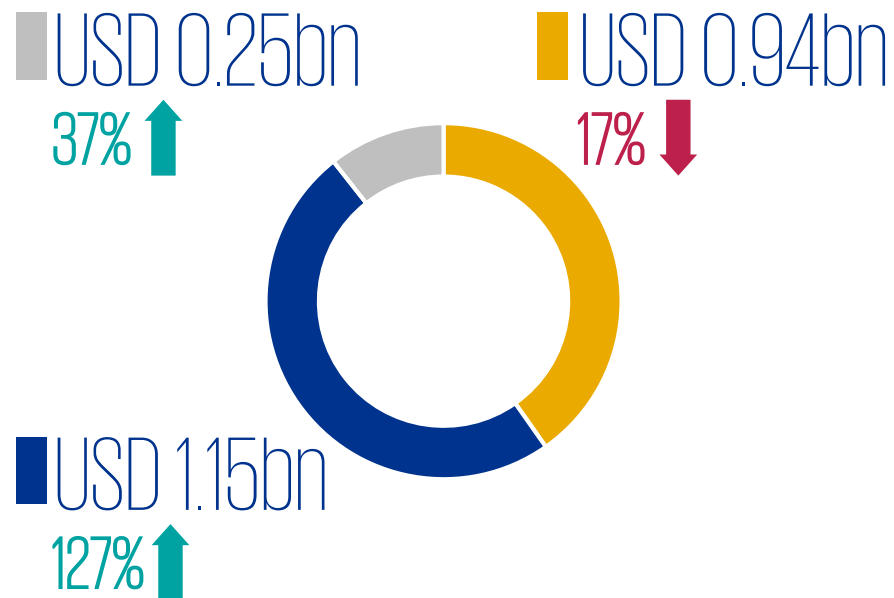
75%

73%

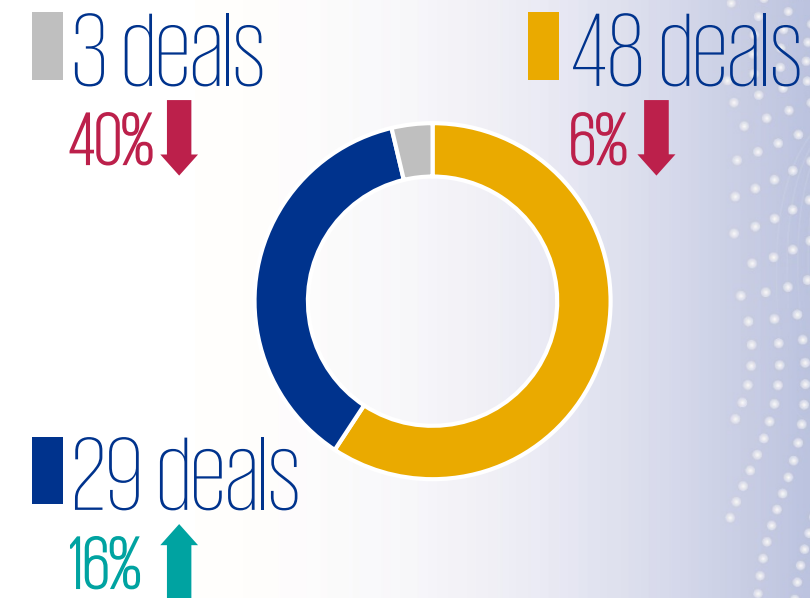
50%

3. Ukraine: cross-border

Value



Volume

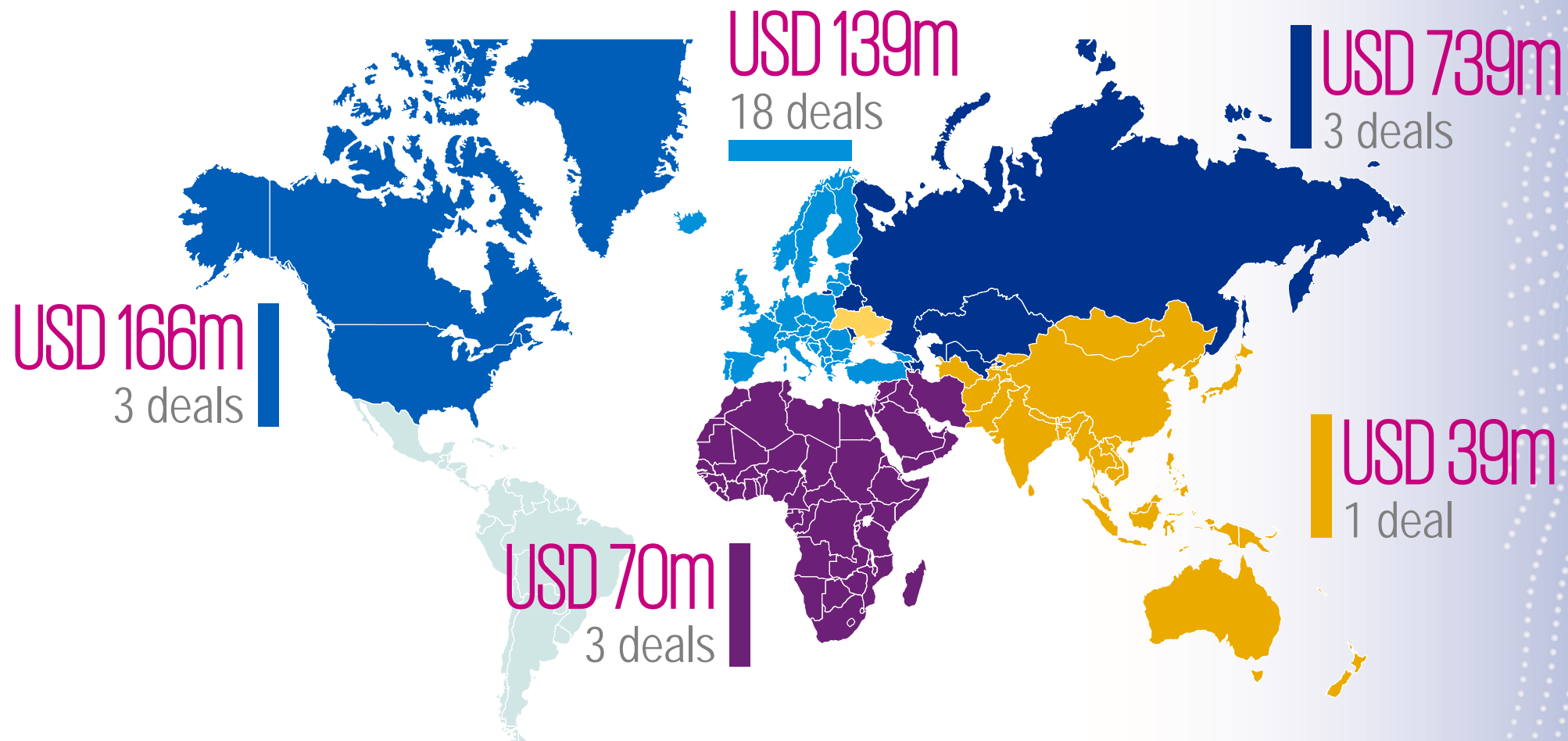


Value of inbound M&A 2x the historic run-rate, and highest level since 2013

● Domestic ● Inbound ● Outbound

Average deal value: ● USD 29m (-40%) ● USD 96m (+127%) ● USD 125m (+37%)

3. Ukraine: inbound



● Ukraine ● CIS ● North America ● Europe ● MEA ● Asia Pacific

3. Ukraine: top-5 deals



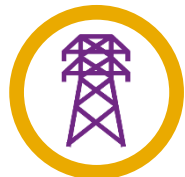
Bakcell (AZ) acquisition of Vodafone Ukraine

USD 734m



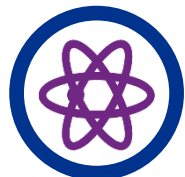
SCM Holding acquisition of Villa Les Cèdres (FR)

USD 224m



DTEK Energy acquisition of Kyivoblenergo

USD 180m



Snap Inc. (US) acquisition of AI Factory

USD 166m



UFuture acquisition of Ocean Plaza Mall

USD 117m

61%
of value

● Domestic ● Inbound ● Outbound

4. Outlook

Headwinds

Retrospective changes to green-tariff

Law on bank insolvency / PrivatBank

Pace of structural reforms

East of Ukraine / Crimea

BEPS legislation

Tailwinds

Stable monetary policy

Sustained economic growth

Reaffirmed support of IMF / EU

International investor appetite

Pro-business government policy

Infrastructure PPP & privatisations

On balance, we predict **double-digit** growth for 2020 Ukrainian M&A



M&A Radar: Ukraine

The Ukrainian version
is coming in couple of
weeks



Access the interactive
version of M&A Radar:
Ukraine



Key contacts



Peter Latos
Partner
Head of Advisory in Ukraine
peterlatos@kpmg.ua



Alexey Yankovski
Partner
Head of IT & Cyber Advisory
ayankovski@kpmg.ua



Ruslan Chernenko
Manager
Deal Advisory,
Power BI analytics leader
rchernenko@kpmg.com



Dmitry Musatov
Partner
Valuations, Mergers
& Acquisitions, Financing
dmusatov@kpmg.com



Dmytro Shchur
Director
Transaction Services
dshchur@kpmg.ua



Maksym Zavalnyy
Director
Tax M&A
mzavalnyy@kpmg.ua



Oleg Neplyakh
Director
Valuations, Mergers
& Acquisitions, Financing
oneplyakh@kpmg.ua



Yuriy Fedoriv
Director
Financial Services Advisory
yfedoriv@kpmg.ua



Yuriy Katser
Director
Head of Legal
ykatser@kpmg.ua