



# Russian M&A Review 2015

**February 2016**

KPMG in Russia and the CIS

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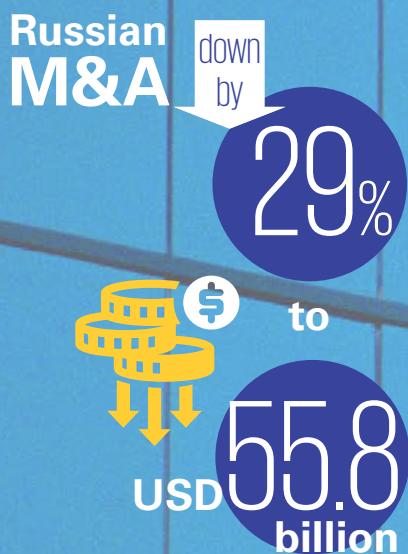


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# Headlines

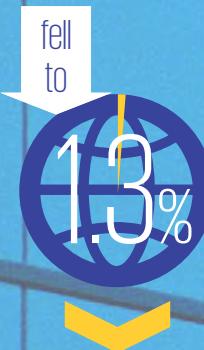


## in 2015 as:

- Transaction volumes fell by 19% to 504 deals, driven by lower domestic activity; and
- Average deal size was 11% lower at USD157 million<sup>1</sup>



## Russia's share of global M&A



— the lowest level in a decade.

<sup>1</sup>Based on transactions with disclosed deal values.



## Inbound M&A

increased  
by

40%,

to

USD 11.1  
billion,



## Outbound M&A

dropped  
by

39%,

to

USD 8.6  
billion,

driven by Asia-Pacific as investment  
from Europe and North America  
virtually died-up in H2.

amid continued rouble volatility.

# Overview

Russian  
M&A  
saw

504 deals

announced in 2015,  
worth a combined



USD 55.8  
billion<sup>2</sup> –

although  
this  
represents  
a

29%

decline  
in value  
terms,

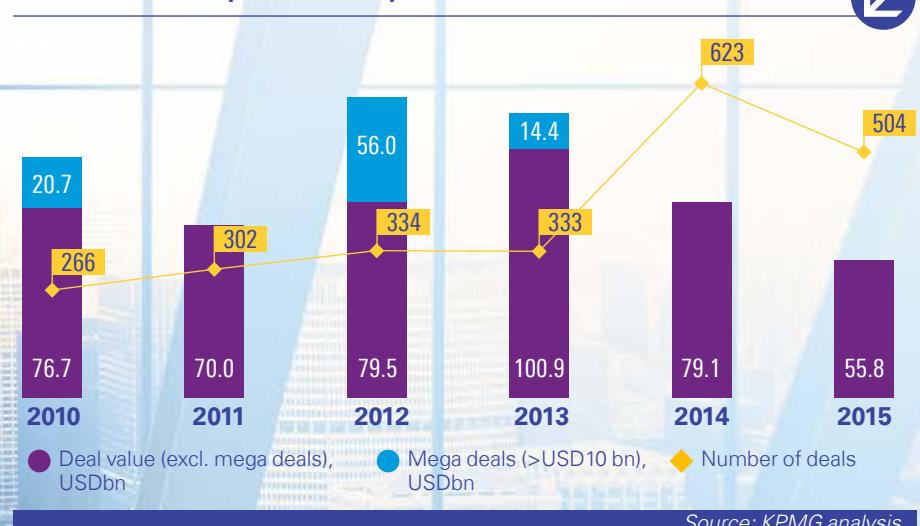
it was at the upper-end of our previous  
forecast for the year of USD40–60 billion.

Transaction volumes fell by 19% due mainly to weaker  
domestic activity, while average deal size continued  
its downward trend of recent years, dropping a further  
11% to USD157 million.

<sup>2</sup>Including 92 deals totalling USD13.1 billion announced before  
31 December 2015 but pending completion, as at that date.

The economic downturn, falling oil price, and constrained access to financing, further eroded confidence amongst Russian deal-makers. This coupled with misaligned valuation expectations amid rouble volatility saw domestic M&A fall 37%, to USD36.1 billion – its lowest level in more than a decade – and outbound M&A down by 39% to USD8.6 billion. International players meanwhile sought to align the performance of their Russian assets with the new operational realities, leading some to review their market position and consider the likely mid to long-term returns of continued ownership.

### Russian M&A (2010–2015)



Russian deal-making couldn't have been in more stark contrast to the global picture, as M&A increased by 30% to a record-breaking USD4.3 trillion, on 3% lower transaction volumes. Consequently, Russia's share of global deal value fell to just 1.3% – well below the average of 4.3% over the last decade. And although Russian M&A ranked second amongst the BRIC nations, it was dwarfed by China's USD491.4 billion<sup>3</sup> of deals.

### Global M&A (2010–2015)



<sup>3</sup>All global data taken from Mergermarket Monthly M&A Insider, January 2016.

In value terms,  
45% of Russian M&A  
was concentrated amongst the

10 largest deals,

Up from

40% the previous year

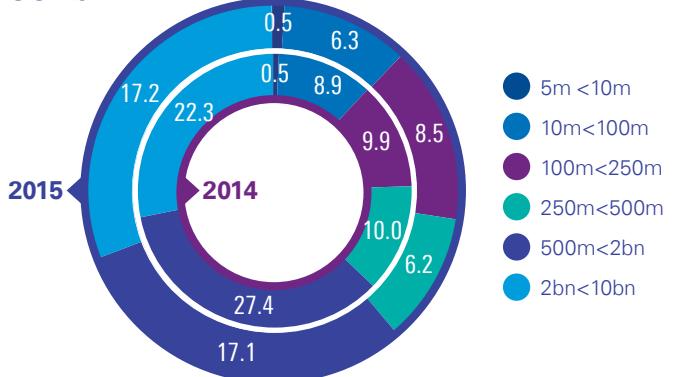
and compared to

19% globally

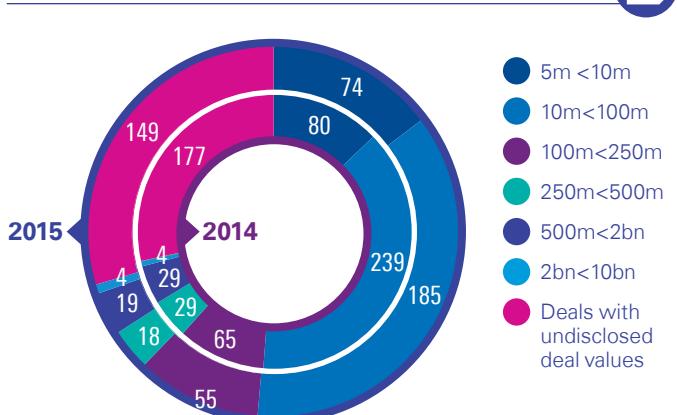
However, activity continued to be dominated by deals valued at less than USD100 million, which accounted for 51% of total deal volume in 2015 but only 12% of value.

### Russian M&A value by deal size

USDbn



### Russian M&A volume



Source: KPMG analysis



Although oil and gas deals tumbled by 43% in 2015, to USD15.6 billion, in part due to the dramatic slide in the price of oil and impact of sanctions, it was still the dominant sector in Russian M&A. Real estate and construction

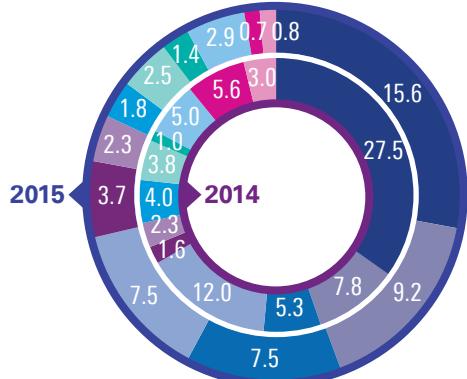
remained the most active sector with a total of 88 deals, 55% lower than the prior year, with office, commercial, industrial and warehouse transactions accounting for two-thirds of total volume.

## Russian M&A largest deals in 2015

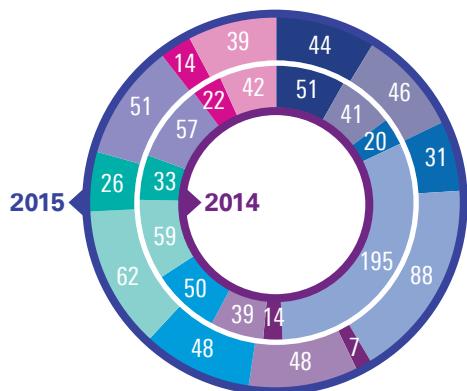
Target	Sector	Acquirer	Vendor	% acquired	Value USDm
1 Stroygazconsulting	Transport & Infrastructure	Gazprombank; United Capital Partners Advisory	Ruslan Baysarov; minority shareholders	100.0%	7,000
2 Polyus Gold International	Metals & Mining	Wandle Holdings Limited	n/d	59.8%	5,694
3 Essar Oil Ltd	Oil & Gas	Rosneft Oil Company	Essar	49.0%	2,400
4 Uralkali	Chemicals	Uralkali	n/d	22.0%	2,065
5 E.On E&P Norge	Oil & Gas	DEA Deutsche Erdöl AG (DEA)	E.On	100.0%	1,600
6 Yamal LNG	Oil & Gas	Silk Road Fund Co Ltd	Novatek	9.9%	1,400
7 SIBUR Holding	Oil & Gas	China Petrochemical Corporation (Sinopec Group)	Leonid Mikhelson; Kirill Shamalov; Gennady Timchenko; former and current managers	10.0%	1,340
8 Vankorneft	Oil & Gas	ONGC Videsh Limited	Rosneft Oil Company	15.0%	1,300
9 Avito Holding AB	Communications & Media	Naspers Limited	Investment AB Kinnevik; Accel Partners; Baring Vostok Capital Partners Limited; Northzone Ventures AS; East Capital; Filip Stig George Engelbert; Jonas Rolf Nordlander	50.5%	1,200
10 Uralkali	Chemicals	Uralkali	n/d	11.6%	1,086
Total of the ten largest deals					25,085
As a percentage of total Russian M&A					44.9%

## Russian M&A value by sector

USDbn



## Russian M&A volume by sector



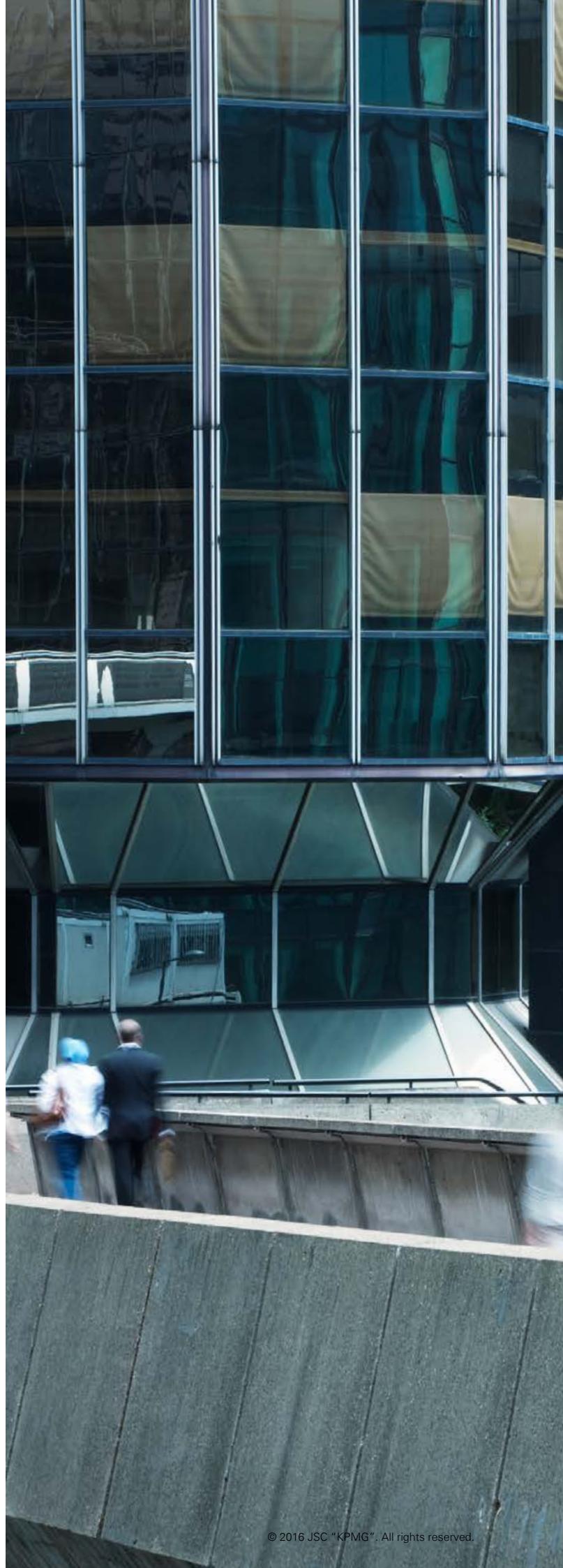
- Oil & Gas
- Transport & Infrastructure
- Metals & Mining
- Real Estate & Construction
- Chemicals
- Innovations & Technology

- Consumer Markets
- Banking & Insurance
- Agriculture
- Communications & Media
- Power & Utilities
- Other sectors

Source: KPMG analysis

Meanwhile, the flight of Russian companies from the London Stock Exchange continued<sup>4</sup> amidst falling market capitalisations driven by investor concerns over weak commodity prices, rouble depreciation, the perceived increase in country risk, and declining liquidity. Polyus Gold International was taken private by the Kerimov family in a USD5.7 billion deal, Eurasia Drilling Company delisted following a USD500 million management buyout, and Uralkali delisted its shares and global depository receipts as part of a USD3.6 billion buyback, including the 12.5% stake acquired by Chengdong Investment Corporation in 2013.

<sup>4</sup>In 2014, Rose Group and Bank Otkritie delisted from the London Stock Exchange.



# Cross-border M&A

Cross-border deals accounted for

35%  of Russian M&A in 2015

up from

20%  in 2013,

reflecting the comparatively greater rate of decline in the value of domestic transactions (–61%) over this period, compared to cross-border deals (–15%)

In aggregate, cross-border M&A totalled USD19.7 billion, down by 10% on 3% lower volumes, although the dynamics of inbound and outbound M&A moved in opposite directions.

# Inbound

2015 saw inbound M&A increase by 40% to USD 11.1 billion on relatively flat volumes.

The government's pivot east contributed to the highest level of acquisitions from Asia-Pacific since 2006, with 14 deals worth USD4.9 billion – equivalent to 3.2% of total outbound M&A from the region during the year<sup>5</sup>.

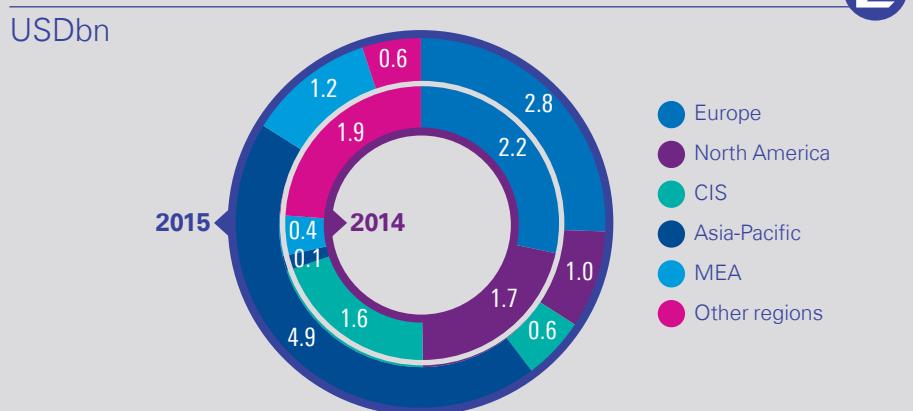
The majority of this investment (82%) related to 3 deals in the oil and gas sector, while Thailand's Charoen Pokphand Foods paid USD544 million for an 80% stake in the Severnaya and Woyskovitsy poultry farms – the largest Russian agriculture deal for five years.

<sup>5</sup>Mergermarket Cross Border M&A Index Q4 2015, January 2016.

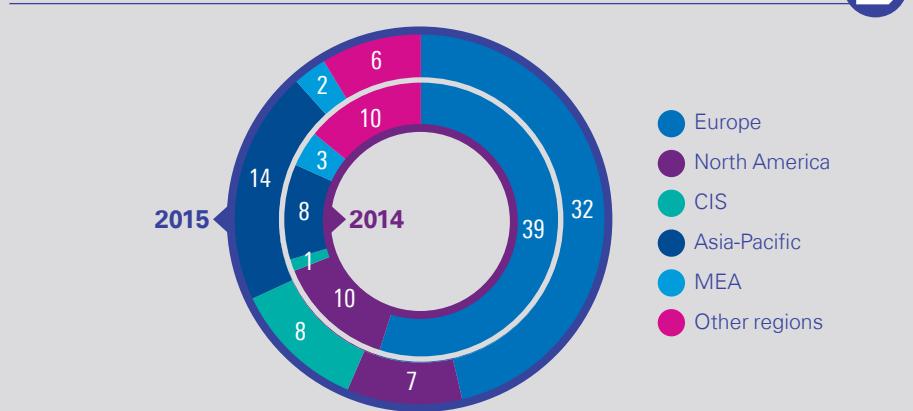
## Inbound largest deals in 2015

Target	Acquirer	Vendor	% acquired	Value USDm
1 Yamal LNG	Silk Road Fund Co Ltd	Novatek	9.9%	1,400
2 SIBUR Holding	China Petrochemical Corporation (Sinopec Group)	Leonid Mikhelson; Kirill Shamalov; Gennady Timchenko; former and current managers	10.0%	1,340
3 Vankorneft	ONGC Videsh Limited	Rosneft Oil Company	15.0%	1,300
4 Avito Holding AB	Naspers Limited	Investment AB Kinnevik; Accel Partners; Baring Vostok Capital Partners Limited; Northzone Ventures AS; East Capital; Filip Stig George Engelbert; Jonas Rolf Nordlander	50.5%	1,200
5 RussNeft NK	Glencore plc	Mikhail Gutseriev	49.0%	900
Five largest transactions total				6,140
as a % of the total inbound deals value				55.5%

## Inbound M&A value by region (2015 vs. 2014)



## Inbound M&A volume by region (2015 vs. 2014)



Source: KPMG analysis



China, the largest M&A player in Asia-Pacific, announced 4 deals totalling USD2.9 billion. Novatek reduced its holding in the Yamal LNG project to 50.1% after selling a 9.9% stake to the Silk Road Fund for USD1.4 billion, increasing Chinese ownership of the project to 29.9%.<sup>6</sup> And China Petrochemical Company (Sinopec), acquired a 10% stake in the gas processing and petrochemicals company, SIBUR, for USD1.34 billion following the signing of a strategic partnership agreement during a state visit to China in September. The deal will see the companies share knowledge and resources, with Sinopec taking a seat on the board of SIBUR, and having the option to acquire a further 10% stake within three years.

The other notable investor from Asia-Pacific was India. ONGC Videsh, a subsidiary of India's NOC<sup>7</sup>, paid Rosneft USD1.3 billion for a 15% stake in Vankorneft, owner of the Vankor oil and gas deposit in eastern-Siberia – the deal accounted for 3.6% of India's total M&A in 2015<sup>5</sup>. While Lupin, the Indian pharmaceutical company, acquired the Russian generic drug manufacturer Biocom for an undisclosed amount.

Europe remained the most active inbound investor in volume terms<sup>8</sup>, as the region announced 32 deals, with a focus on the oil and gas sector. The largest of these deals saw Glencore acquire a 49% stake in RussNeft NK via a debt for equity swap (USD900 million), Rosneft sell 20% of Taas-Yuriakh Neftegazodobycha to BP (USD750 million), and Raiffeisen Bank purchase a 4.31% stake in Tatneft (USD567 million). Meanwhile, inbound M&A from North America fell by 44% to USD1 billion, notwithstanding the

USD439 million US advisory and asset management company Lazard paid for an additional 4.7% interest in mobile operator MTS. It should be noted however, that inbound M&A from Europe and North America virtually dried-up during the second-half of 2015<sup>9</sup>, following the extension and expansion of sanctions against Russia.

Investment from the Middle-East and Africa increased three-fold as Naspers, the South African media group, confirmed its belief in Russia's e-commerce market by increasing its holding in Avito, the leading online classifieds platform, from 17.4% to 67.9% for USD1.2 billion, by buying out existing co-investors. At the other end of the investment spectrum, the Iranian shipping company Nasim Bahr Kish paid USD11 million for a 53% stake in the Astrakhan port on the river Volga.



<sup>6</sup>China National Petroleum Corporation acquired a 20% stake in Yamal LNG in 2013.

<sup>7</sup>National Oil Company.

<sup>8</sup>Europe has announced more M&A in Russia than any other region since 2005.

<sup>9</sup>Deals announced between 1 July and 31 December 2015 totalled USD203 million.

# Outbound

## Outbound M&A



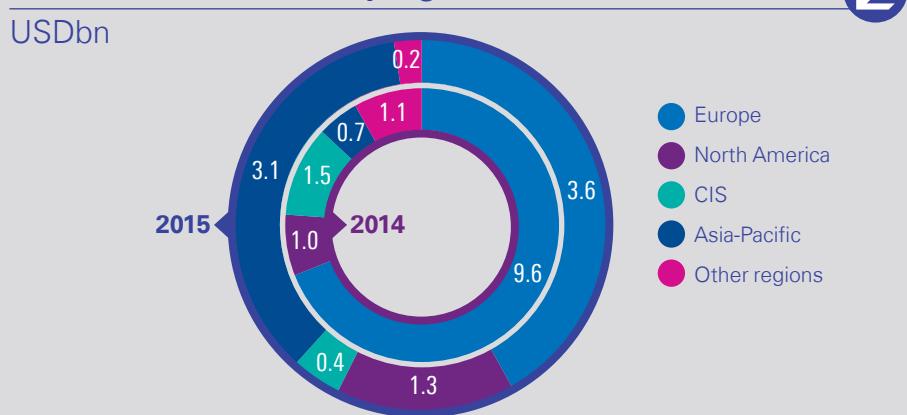
as mounting concerns over  
rouble depreciation tempered  
the appetite of Russian acquirers  
for foreign targets.

Europe and North America  
remained the investment  
destination of choice, accounting  
for over two-thirds of the 75 deals  
announced.

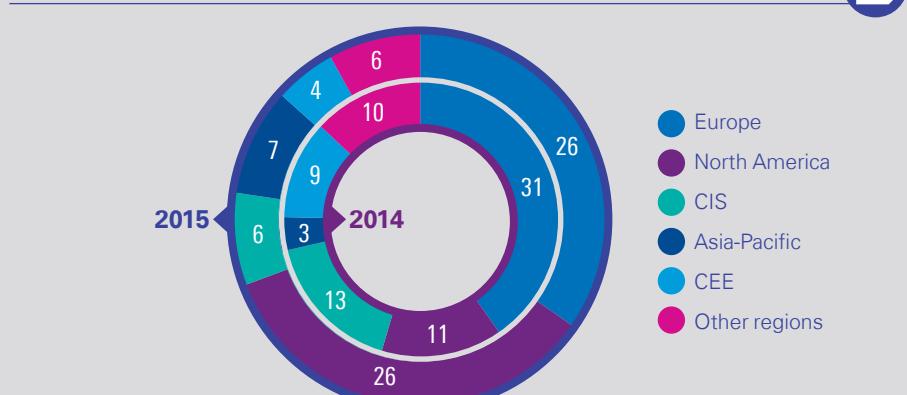
### Outbound largest deals in 2015

Target	Acquirer	Vendor	% acquired	Value USDm
1 Essar Oil Ltd	Rosneft Oil Company	Essar	49.0%	2,400
2 E.On E&P Norge	DEA Deutsche Erdöl AG (DEA)	E.On	100.0%	1,600
3 Sulzer Ltd	Renova Group	Minority Shareholders	29.5%	1,032
4 Wish	DST Global	n/d	16.7%	500
5 ANI Technologies Pvt Ltd	DST Global; Tiger Global Management; Falcon Edge Capital LP; Softbank Corp; GIC Pte Ltd; Accel Partners; Rahul Mehta; Yuri Milner; Steadview Capital Management HK Ltd	n/d	16.7%	400
Five largest transactions total				5,932
as a % of the total outbound deals value				69.0%

### Outbound M&A value by region (2015 vs. 2014)



### Outbound M&A volume by region (2015 vs. 2014)



Source: KPMG analysis



In value terms, investment was principally focused on oil and gas assets in Europe and Asia-Pacific, the largest of which saw Rosneft announce plans to acquire a 49% stake in India's second largest private refiner, Essar Oil, for around USD2.4 billion, LetterOne's DEA acquire E.On's Norwegian exploration and production division for USD1.6 billion, and Renova increase its holding in the Swiss pump solutions business, Sulzer<sup>10</sup>, to 62.9% via the acquisition of an additional 29.5% stake for USD1 billion.

The innovations and technology sector saw the most activity, with 18 deals worth USD1.4 billion. DST Global, Yuri Milner's investment fund, acquired minority stakes in the US-based mobile shopping platform Wish, ANI Technologies the operator of the Indian taxi service aggregator Olacabs.com, Chinese online study platform Langkoo and UK-based online fashion boutique Farfetch in deals totalling USD1.1 billion.

<sup>10</sup>In 2014, Sulzer derived 54% of revenues from the oil and gas sector.



## FDI<sup>11</sup>

In a not dissimilar trend to inbound M&A,



declined sharply over the

second-half of 2014,

before recovering strongly in the

first six months of 2015



to USD 12.2 billion



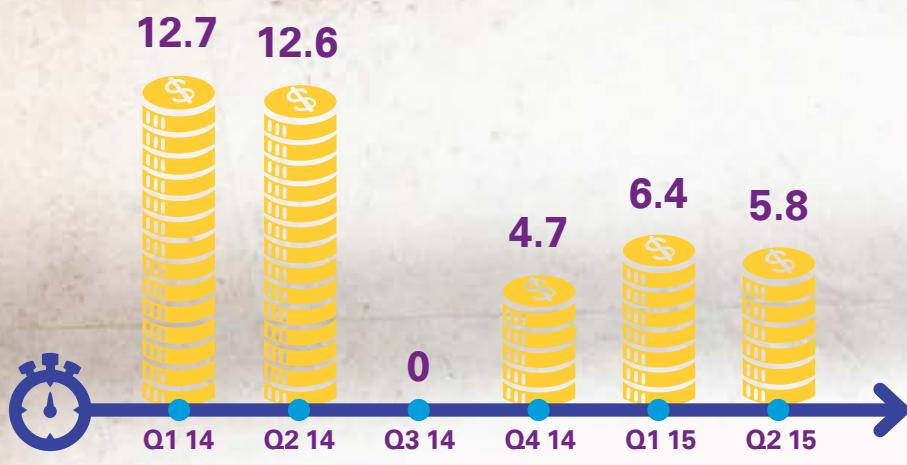
While probably not the ultimate source, a large proportion of net inward FDI over this period came from the tax havens such as the Bahamas, British Virgin Islands and Cyprus, as well as Germany and France.

**Localisation of production, driven in certain sectors by legislation, has been a key factor influencing FDI in recent years.**

<sup>11</sup>FDI includes capital contributions, intercompany loans and reinvestment of earnings, as well as M&A.

## FDI inflows

USDbn



Source: [www.oecd.org/investment/statistics](http://www.oecd.org/investment/statistics)

In the automotive sector, Industrial Assembly Decree 166 was introduced in 2005 to encourage manufacturers to build cars in Russia with a minimum of 30% local content by 2016, increasing to 60% by 2018 under amendments implemented in 2010. Many foreign manufacturers signed-up to the decree, with Ford (USD275 million) and Volkswagen (USD279 million) opening new engine plants in the second-half of 2015 to meet the 30% target. Mazda also plans to open an engine plant in Russia, while Nissan recently announced it will assemble the Qashqai model in St. Petersburg from 2016.

Localisation of production to reduce reliance on imports was a primary objective of the Pharma 2020 strategy which the government introduced in 2009. Foreign players such as Bayer, GlaxoSmithKline, AstraZeneca, Novartis and Sanofi have localised production in Russia in recent years, either through joint ventures or by establishing their own production sites, taking advantage of tax and/or pricing incentives, as well as approved status of Russian manufacturers qualifying

for the state purchase program for vital and essential (VED) drugs. In January 2016, the German pharmaceutical company Merck started production of anti-diabetes drugs at its Russian joint venture, which was formed last year to establish a new production facility in the country.

In August 2015, the cosmetics retailer Lush announced that it intends localising production of 90% of its products currently imported from the UK. The company estimates that localisation will see primary costs fall by 30%, with production partly dependent on locally sourced raw materials.

Sanctions have also driven local production, with the government planning to spend USD38 billion to support 2,500 import-substitution projects. However, some substitution projects have led to higher prices for lower quality products – in the food industry for example, a study found that almost 80% of cheese produced in Russia was made using less expensive palm oil instead of milk.



## Sanctions



have driven local production,  
with the government planning to spend

38  
USD 38  
billion

to support  
2,500  
import-substitution  
projects.

# Outlook ➤



# So, what does the outlook hold for Russian M&A in 2016?

Based on the consensus of low oil prices with further downside risk<sup>12</sup>, it seems that the Central Bank's prediction of a further



**contraction of the Russian economy in 2016**

if the oil price averaged **USD 35** a barrel could increasingly become a **reality.**



<sup>12</sup>Goldman Sachs, Citigroup, Bank of America Merrill Lynch and Morgan Stanley have forecast a low of USD20 a barrel, Standard Chartered a low of USD10 a barrel, and Barclays Investment Bank and UniCredit an average of USD37 a barrel in 2016.

"With so many variables at play, it's difficult to predict specific trends however, if markets remain volatile and sentiment negative, we expect to see further consolidation in the financial services and consumer markets sectors as the situation bites further into profitability".



**Lydia Petrashova,**  
Head of Deal  
Advisory for  
KPMG in Russia  
and the CIS

Inbound investment from Europe and the US looks likely to remain depressed even if sanctions were to be lifted in the second-half of 2016 should the Minsk ceasefire agreement be fully implemented.

**Sean Tiernan,**  
Head of Advisory for KPMG  
in Russia and the CIS

"a continued pivot to Asia-Pacific, and possibly the Middle-East, for investment into key sectors of the Russian economy, such as energy and natural resources, and potentially agriculture" during 2016.



The number of Russian companies rumoured to be for sale fell to the lowest level for five years in the second-half of 2015<sup>13</sup>. Nonetheless, **Peter Latos, Head of Private Equity at KPMG in Russia and the CIS** believes that

"a continued recession will see further opportunities for strategic investors with strong balance sheets, and financial investors sitting on dry-powder, to take advantage of financially distressed fire-sales".



However, **Robert Varterianian, Head of M&A at KPMG in Russia and the CIS** added that

"although valuations started to moderate to more realistic levels in 2015, we expect some continued disconnect between buyer and seller price expectations, which may see some transactions fail to get off the ground"



## Rumoured deals



Number of rumoured deals

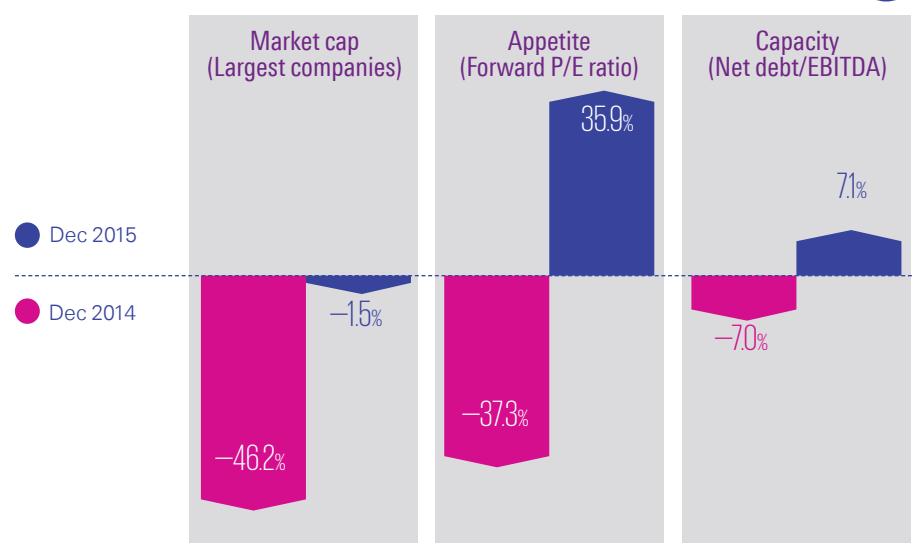


- Telecoms, media & technology
- Consumer markets
- Financial services
- Industrial and chemicals
- Energy, mining & utilities
- Real estate and construction
- Agriculture
- Business services
- Pharmaceutical, medical & biotechnology

Source: Mergermarket Intelligence Heat Chart of companies rumoured to be for sale

<sup>13</sup>Based on Mergermarket Intelligence.

## Appetite and capacity for M&A



The appetite and capacity of Russia's largest listed companies for M&A improved noticeably in 2015, as market capitalisations stabilised following falls of nearly 50% in the previous year. Forward P/E ratios, a measure of appetite, increased by an average of 36%, with only the chemicals sector demonstrating a negative outlook. Similarly, net debt to EBITDA ratios, a measure of capacity, is forecast to improve by an average of 7% by the end of 2016, returning to 2014 levels, although the metals and mining, financial services, and automotive sectors reported reduced capacity.

With interest rates widely expected to be cut in 2016 as the headline rate of inflation falls, more capital projects should become viable, although the weaker economic outlook could still temper investment.

**Overall Robert Vartevanian expects Russian M&A to soften further in 2016,**

**“possibly by up to USD10 billion, due to lower average deal sizes, and to a lesser extent reduced volumes – domestic M&A will be most affected given the weak economic outlook”.**

**“Despite a depressed rouble, outbound M&A could be used to diversify treasury operations and funding sources, which remain more limited for purely Russian players”** said Lydia Petrashova, adding **“it remains to be seen if the momentum of inbound M&A from Asia-Pacific can be sustained in 2016, in the continued absence of western investment”.**

We remain optimistic that the market could show signs of recovery from late 2016 if the oil price recovers in the second-half of the year.

# Methodology



## KPMG Russian M&A database

This report is based on the KPMG Russian M&A database which includes transactions where either the target (inbound) or acquirer (outbound) or both (domestic) are Russian. All data is based on transactions completed between 1st January and 31st December 2015, or announced during this period but pending at 31st December 2015. Historical data may differ from earlier versions of this report as the KPMG Russian M&A database is updated retrospectively for lapsed deals and information subsequently made public.

Data includes transactions valued in excess of USD5 million, as well as transactions with undisclosed deal values where the target's turnover exceeds USD10 million. Deal values are based on company press releases as well as market estimates disclosed in the public domain.

The KPMG Russian M&A database has been compiled over a number of years based on information included in the Mergermarket M&A deals database and EMIS DealWatch database, together with KPMG desktop research of other sources.

Allocation of deals to industry sectors may involve using our judgement and is therefore subjective. We have not extensively verified all data within the KPMG Russian M&A database, and cannot be held responsible for its accuracy or completeness. Analysis of different databases and information sources may yield deviating results from those presented in this report.



## KPMG M&A Predictor

Our analysis of forward-looking appetite and capacity for Russian M&A is based on the principles of KPMG's M&A Predictor, a tool which tracks important indicators 12 months forward. The rise or fall of forward P/E (price/earnings) ratios offers a good guide to the overall market confidence, while net debt to EBITDA (earnings before interest, tax, depreciation and amortization) ratios helps gauge the capacity of companies to fund future deals.

Our analysis is based on 44 Russian companies for 2015, all the raw data within the Russian M&A review was sourced from S&P Capital IQ as at 31 December 2015. While KPMG's M&A predictor uses the same source of raw data, it covers a smaller number of Russian companies, and hence the results for the same period may deviate. The financial services and property sectors are excluded from our analysis, as net debt/ EBITDA ratios are not considered relevant in these industries. Where possible, earnings and EBITDA data is on a pre-exceptional basis.



## Mergermarket Intelligence Heat Chart

The Intelligence Heat Chart is based on 'Companies for Sale' tracked by Mergermarket in Russia between 1st January and 31st December, each year. Opportunities are captured according to the dominant geography and sector of the potential target company, with predicted deal flow based on the intelligence collected in Mergermarket's database relating to companies rumoured to be up for sale, or officially up for sale in Russia.

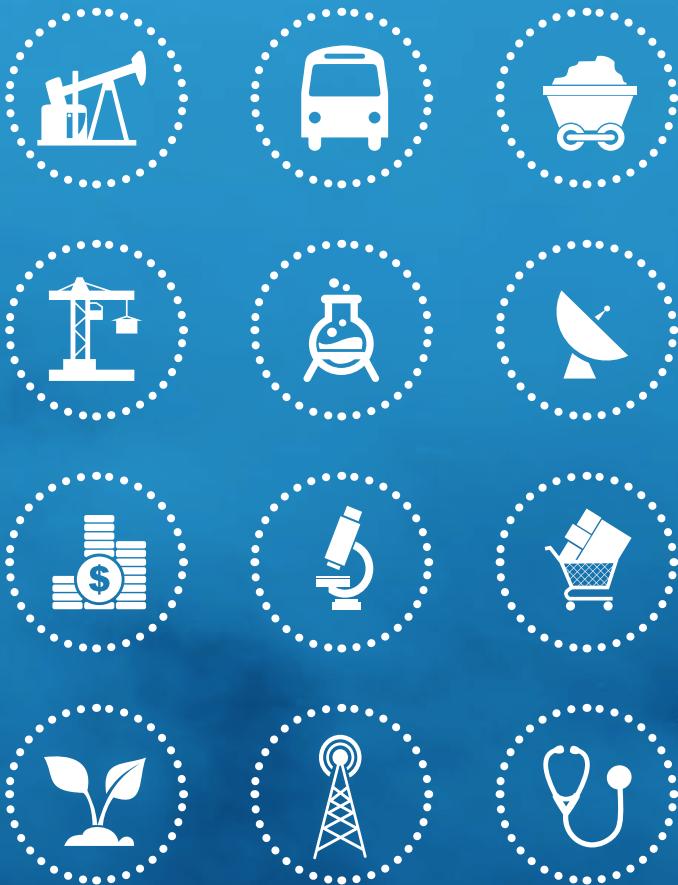
It is therefore indicative of areas that are likely to be active in the months to come. The intelligence comes from a range of sources, including press reports, company statements and Mergermarket's own team of journalist gathering proprietary intelligence from M&A practitioners across the region. The data does not differentiate between small and large transactions nor between deals that could happen in the short or long-term.

Data for Russia was extracted from Mergermarket's Deal Drivers EMEA for 2010, 2011, 2012, 2013, 2014 and 2015.



## Appendix

# Sector highlights<sup>14</sup>



<sup>14</sup>Deals not allocated to the twelve core sectors are included within other.



## Domestic



## Total value



## Inbound



## Outbound



## Market share



## Largest oil and gas sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Essar Oil Ltd	Rosneft Oil Company	Essar	49.0%	2,400
2	E.On E&P Norge	DEA Deutsche Erdöl AG (DEA)	E.On	100.0%	1,600
3	Yamal LNG	Silk Road Fund Co Ltd	Novatek	9.9%	1,400
4	SIBUR Holding	China Petrochemical Corporation (Sinopec Group)	Leonid Mikhelson; Kirill Shamalov; Gennady Timchenko; former and current managers	10.0%	1,340
5	Vankorneft	ONGC Videsh Limited	Rosneft Oil Company	15.0%	1,300



## Domestic



## Inbound



## Market share

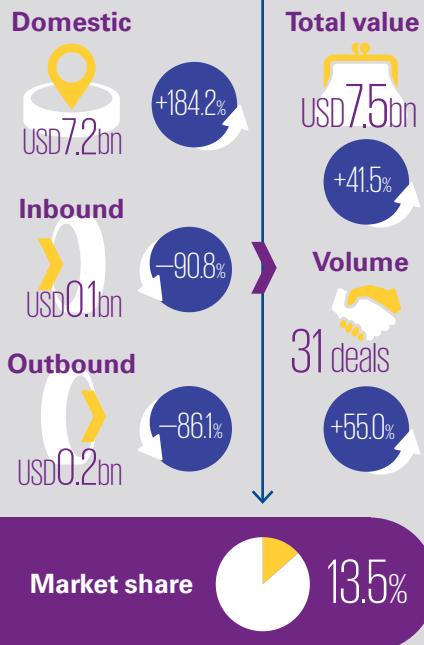


## Largest transport and infrastructure sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Stroygazconsulting	Gazprombank; United Capital Partners Advisory	Ruslan Baysarov; minority shareholders	100.0%	7,000
2	UTair Avia-company	Government of the Russian Federation; NPF Surgutneftegaz	n/d	84.4%	381
3	Prime Shipping	Rosneft Oil Company; Sberbank CIB	Pietro Barbaro Group	95.0%	300
4	Mostotrest	TFK-Finance	Marc O'Polo Investments Ltd.	75.0%	183
5	Transmashholding	Alstom SA; Andrey Bokarev; Iskander Makhmudov; TransGroup AS	Russian Railways (RZhD)	25.0%	178



## Metals and mining

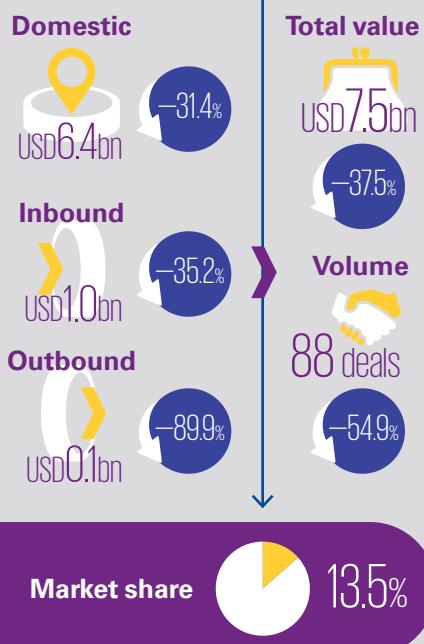


### Largest metals and mining sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Polyus Gold International	Wandle Holdings Limited	n/d	59.8%	5,694
2	EVRAZ Plc	EVRAZ Plc	Existing shareholders	7.2%	336
3	Polymetal International	Otkritie Holding	Sumeru Gold BV	7.4%	232
4	Alcoa Metallurg Rus	Lainen	Alcoa, Inc.	100.0%	160
5	United Spiral Pipe	EVRAZ Plc	POSCO	35.0%	150



## Real estate and construction

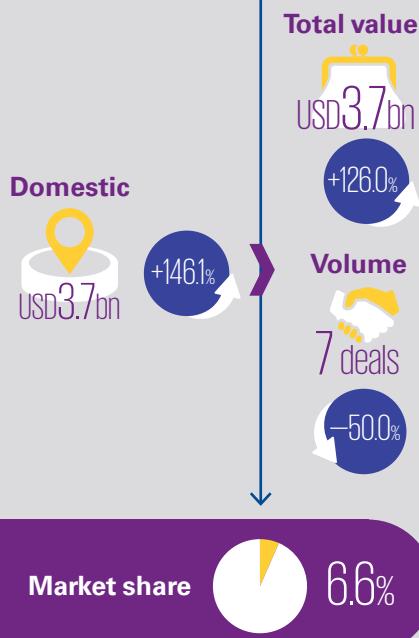


### Largest real estate and construction sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	A101 Development	BIN Group	Vadim Moshkovich	100.0%	800
2	Aurora Business Park	O1 Properties	Forum Properties	100.0%	550
3	Planetograd	Setl Group	Pangaea Real Estate Ltd JV Electra Real Estate	100.0%	500
4	NAO Krasnaya Polyanaya shares (Gorki Gorod shares)	Kurort Plus	Sberbank	96.9%	492
5	ZIL-Yug	Razvitiye (Sistema and LSR Group JV)	Moscow city	100.0%	480



## Chemicals

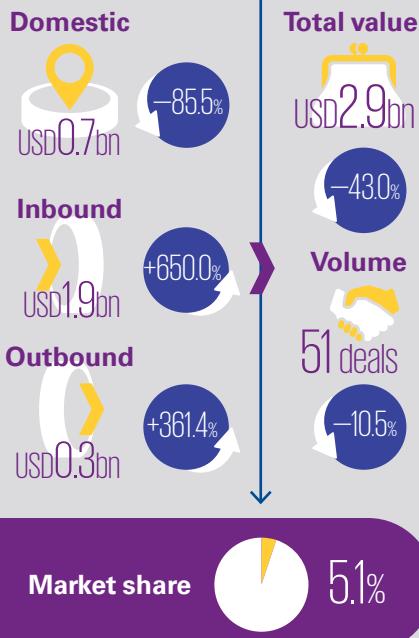


### Largest chemicals sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Uralkali	Uralkali	n/d	22.0%	2,065
2	Uralkali	Uralkali	n/d	11.6%	1,086
3	Uralkali	Uralkali	n/d	6.5%	495
4	Metaclay	Gazprom StroyTek Salavat	RusNano	49.0%	14
5	Metatrading	Metafrax	Svetlana Khakimova	99.0%	7



## Communications and media

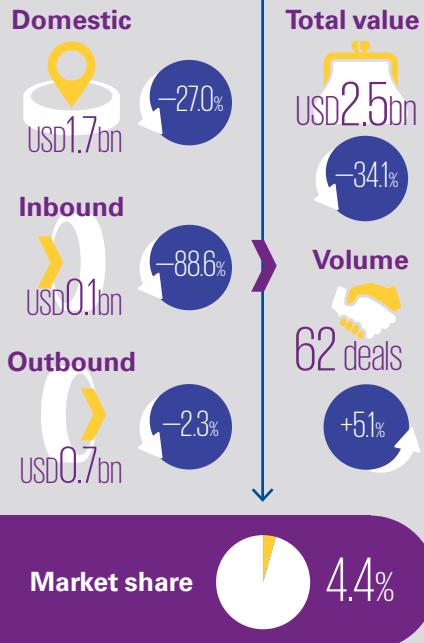


### Largest communications and media sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Avito Holding AB	Naspers Limited	Investment AB Kinnevik; Accel Partners; Baring Vostok Capital Partners Limited; Northzone Ventures AS; East Capital; Filip Stig George Engelbert; Jonas Rolf Nordlander	50.5%	1,200
2	Mobile TeleSystems	Lazard Ltd	n/d	4.7%	439
3	CTC Media, Inc. (Russian and Kazakhstan operations)	UTH Russia	CTC Media, Inc.	75.0%	201
4	MegaFon	n/d	The Capital Group Companies Inc	1.7%	171
5	Russian Media Group (RMG)	FGUP GosConcert	IFD Kapital (IFD Capital); Sergey Kozhevnikov	100.0%	123



## Banking and insurance

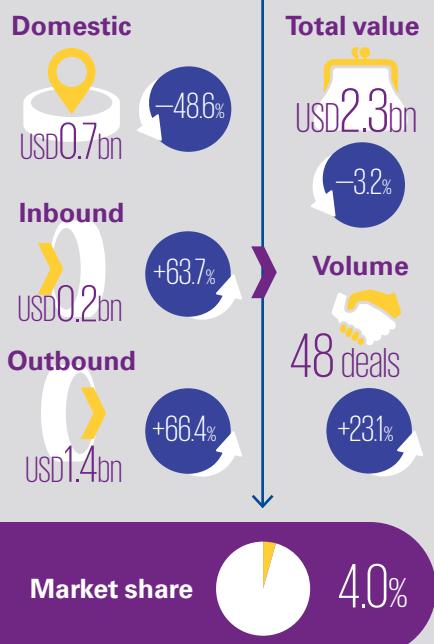


### Largest banking and insurance sector deals in 2015

Target	Acquirer	Vendor	% acquired	Value USDm
1 Ukrsootsbank	ABH Holdings S.A.	UniCredit Group	99.4%	307
2 MDM Bank	Mikhail Gutseriev; Mikhail Shishkhanov	Sergey Popov	58.3%	239
3 Credit Bank of Moscow	Rosgosstrakh; Institutional investor(s); Private investor(s)	n/d	18.8%	237
4 Rapida NPO; Contact Payment System	QIWI plc	Otkritie Holding	100.0%	167
5 Vozrozhdenie Bank	PromSvyazCapital	Tatyana Orlova	75.0%	151



## Innovations and technology

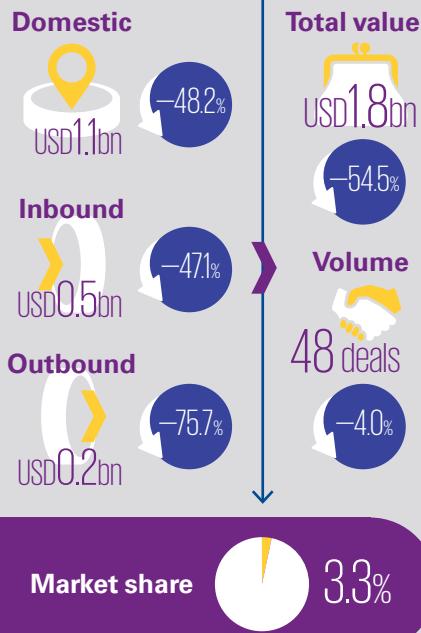


### Largest innovations and technology sector deals in 2015

Target	Acquirer	Vendor	% acquired	Value USDm
1 Wish	DST Global	n/d	16.7%	500
2 ANI Technologies Pvt Ltd	DST Global; Tiger Global Management; Falcon Edge Capital LP; Softbank Corp; GIC Pte Ltd; Accel Partners; Rahul Mehta; Yuri Milner; Steadview Capital Management HK Ltd	n/d	16.7%	400
3 Nvision Group	Mobile TeleSystems	AFK Sistema	100.0%	264
4 Yandex	n/d	Oppenheimer Funds Inc	3.7%	177
5 RetailNext	Activant Capital Group; August Capital; StarVest Partners; Nokia Growth Partners; Commerce Ventures Management; American Express Co; Qualcomm Ventures; Pereg Ventures; Siguler Guff & Company LP	n/d	n/d	125



## Consumer markets

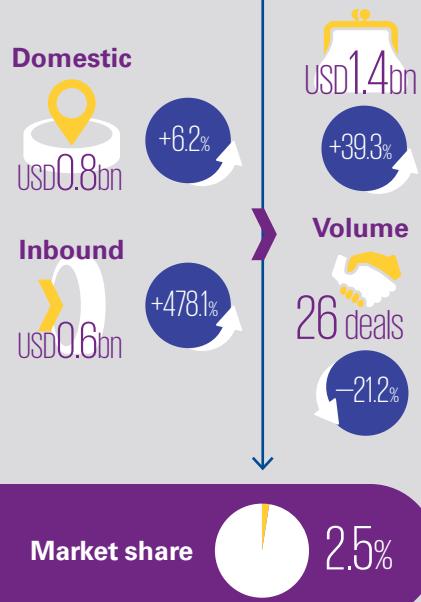


### Largest consumer markets sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Magnit	Sergey Galitsky	n/d	2.2%	321
2	Lenta	Russian Direct Investment Fund (RDIF); Private investor(s); Institutional investor(s)	European Bank for Reconstruction and Development (EBRD)	8.0%	275
3	Lenta	Russian Direct Investment Fund (RDIF); Institutional investors	n/d	7.6%	225
4	Magnit	Institutional investors	Sergey Galitsky	1.0%	147
5	Lenta	Institutional investors; Private investor(s)	European Bank for Reconstruction and Development (EBRD)	3.8%	140



## Agriculture

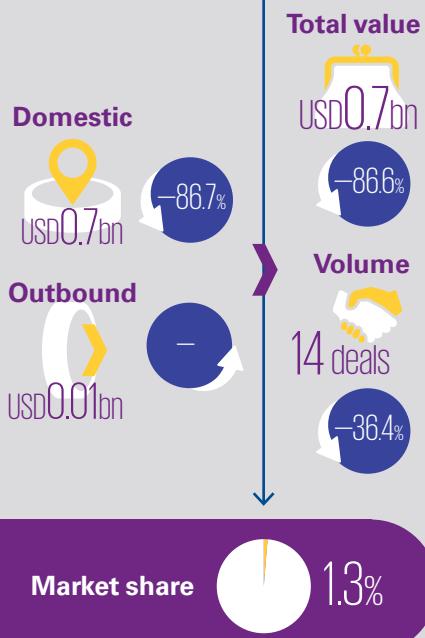


### Largest agriculture sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Poultry Parent Stock Production Woyskovitsy; Poultry Production Severnaya	Charoen Pokphand Foods Public Company Limited	Agro-Invest Brinky B.V.	80.0%	544
2	Razgulay Group	RusAgro Group	Vnesheconombank (VEB)	20.0%	516
3	Pavlovsky Sugar Plant	Krasnodarzerno-produkt	n/d	100.0%	37
4	Cherkizovo Group	Grupo Corporativo Fuertes SL	n/d	5.1%	30
5	Mikhailovsky Broiler	Eduard Yanakov	Igor Borbot	100.0%	30



## Power and utilities

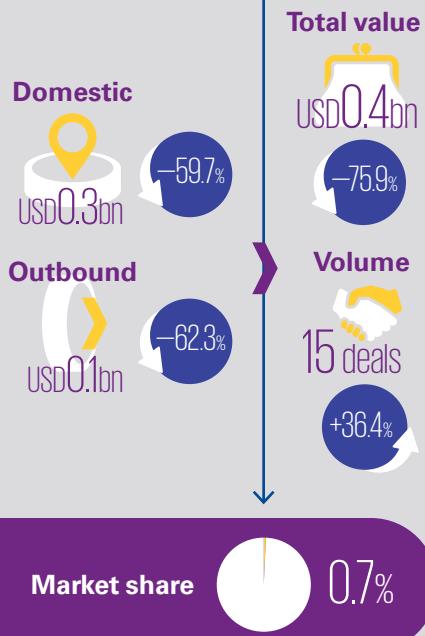


### Largest power and utilities sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	St. Petersburg Electric Networks; Petrodvortsovaya Elektroset	Lenenergo	St. Petersburg Municipal Government	60.0%	208
2	Inter RAO UES	United Capital Partners	Norilsk Nickel	9.7%	153
3	Transmashenergo	United Wagon Company	TM-Energo Finance	100.0%	109
4	Volzhskaya TGK (TGK-7)	Renova Group	Leonard Blavatnik	12.2%	70
5	GES-2	Levit	Mosenergo	100.0%	40



## Healthcare and pharmaceuticals



### Largest healthcare and pharmaceuticals sector deals in 2015

	Target	Acquirer	Vendor	% acquired	Value USDm
1	Pharmstandard	Viktor Kharitonin; Egor Kulkov	n/d	11.6%	96
2	Medsi	Sistema	Moscow City Government	25.0%	93
3	Pharmstandard	Augment Investments Limited	Alexander Shuster	6.4%	53
4	Twist Bioscience	Illumina Inc; Fidelity Investments; Foresite Capital Management; Tao Invest; ARCH Venture Partners; Paladin Capital Group; Yuri Milner; n/d	n/d	n/d	37
5	RID	Pharmacy Chain 36.6	Delfin Trading Ltd	100.0%	33

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