



Analysis of M&A in Poland in 2010-2020

RESEARCH PROJECT

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Authors:

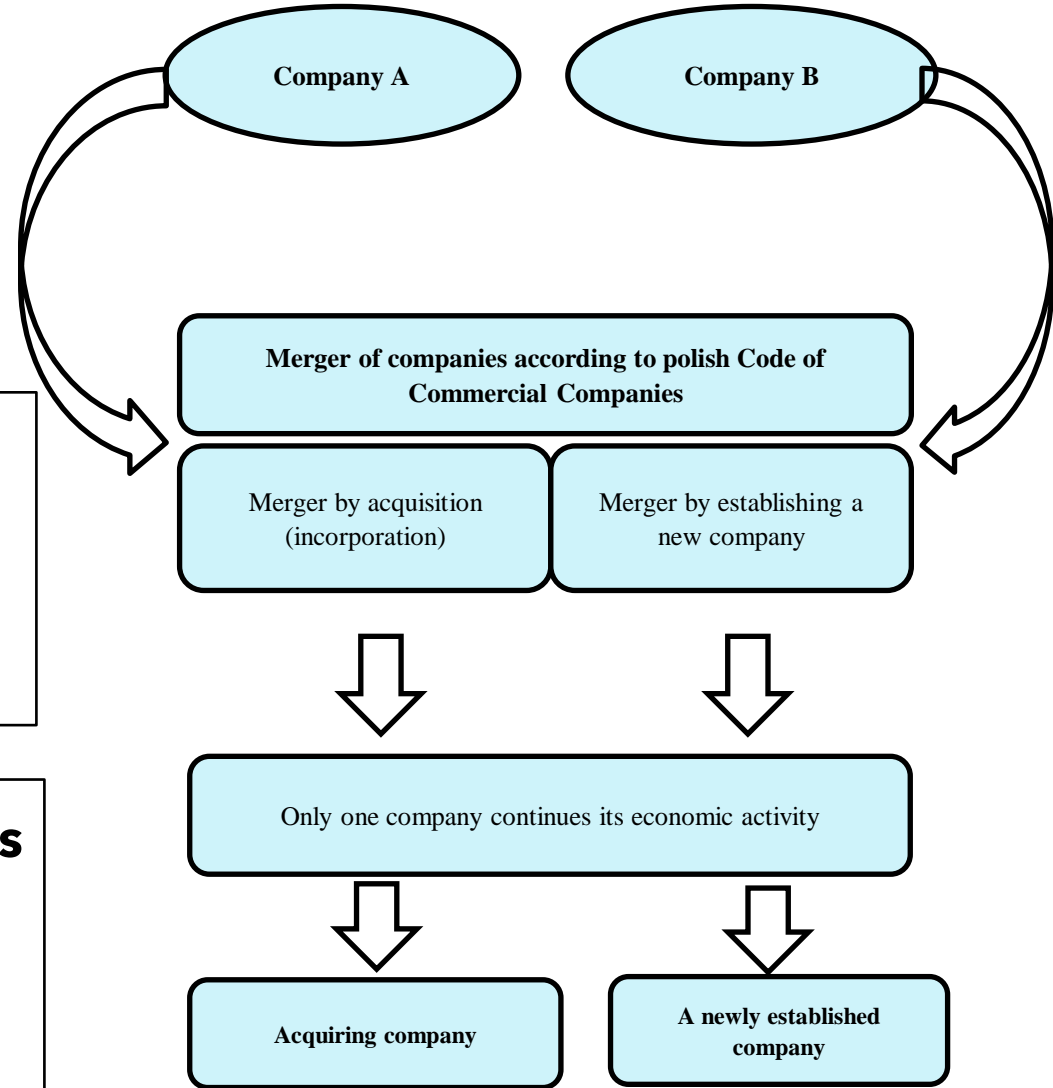
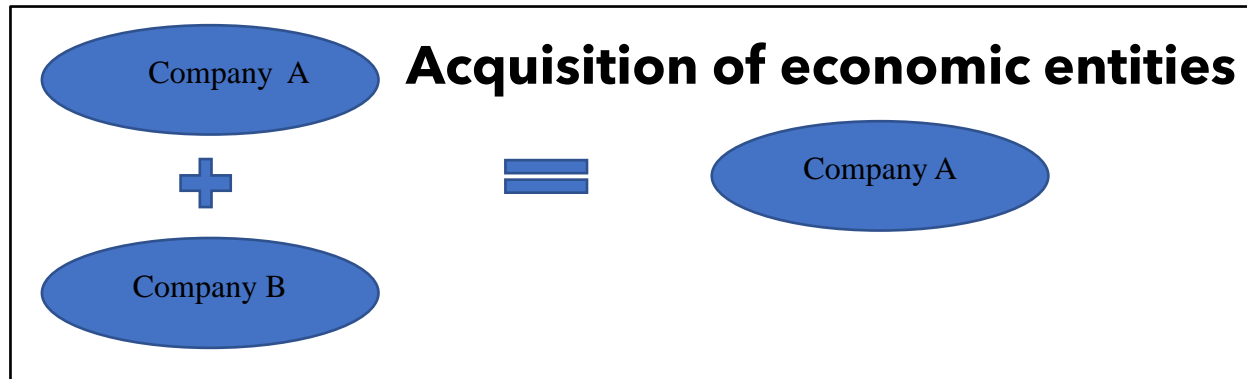
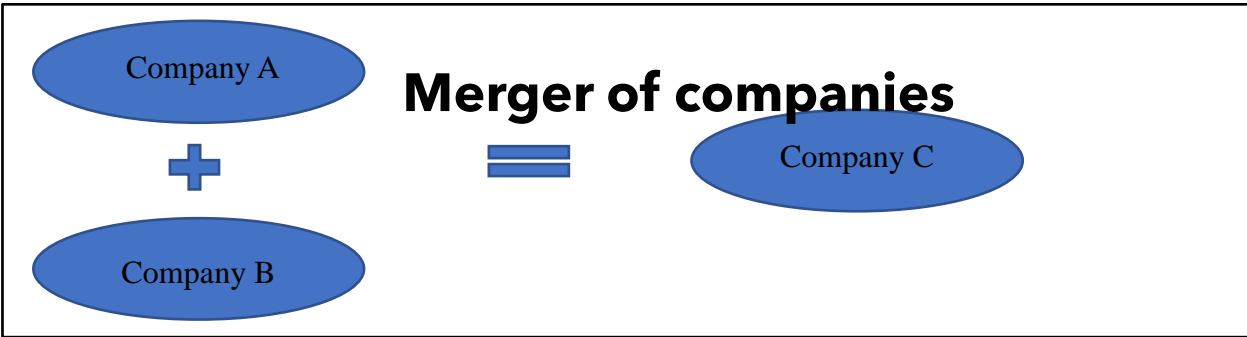
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The purpose of research

- The key objective of the study is to present the issues of mergers and acquisitions transaction and changes in the numbers of mergers and acquisitions in Poland in 2010-2020.
- The main objective of the article is to review the survival of the largest mergers and acquisitions transactions among capital groups operating in Poland. In this context the literature research was conducted on both theoretical and practical issues of mergers and acquisitions and the databases of FORDATA, Navigator Capital, Emerging Europe M&A Report developed for the years 2010-2020 were used.
- The theoretical part contains the basic classification of mergers and acquisitions. Furthermore, attention was paid to the principles of their implementation as well as motives and benefits.

M&A structure



Source: author's own study based on art. 493 Polish Commercial Companies Code.

Comparison of corporate expansion through acquisitions and limited growth

Description	Expansion by	
	Acquisition	Limited growth
reaching a quick synergy effect	possible, relatively fast	usually achieved but relatively slowly
the risk of „a skeleton in the closet”	high risk	relatively much lower
goodwill fee	yes, applicable	Not applicable
financial burden	considerable	deferred in time
competitiveness	strategically high	gradual, slow winning the market
availability of expert evaluation	taken over together with the company	building company’s own expert evaluation (expertise)
concession of activity	possible acquisition including the company	possible concession restrictions
social liabilities/obligations	usually long-term (multi-annual), possibly high	usually not present

Source: author’s own study based on: Helin, Zorde, Bernaziuk, Kowalski 2019

Benefits and threats resulting from the M&A process

Benefits	Threats
New technologies	obsolete technologies
New products	obsolete products
New markets	low profitability
Lower costs	poor financial liquidity
Expansion with reduced capital	the need for high investments
Reduction of competition	Strong competition
Strengthening of strategic resources	Limited production possibilities
Tax benefits	Lack of experience of management team
Reaching operational synergy	unknown obligations

Source: author’s own study.

Quantitative and value summary of mergers and acquisitions in Poland in 2010-2020

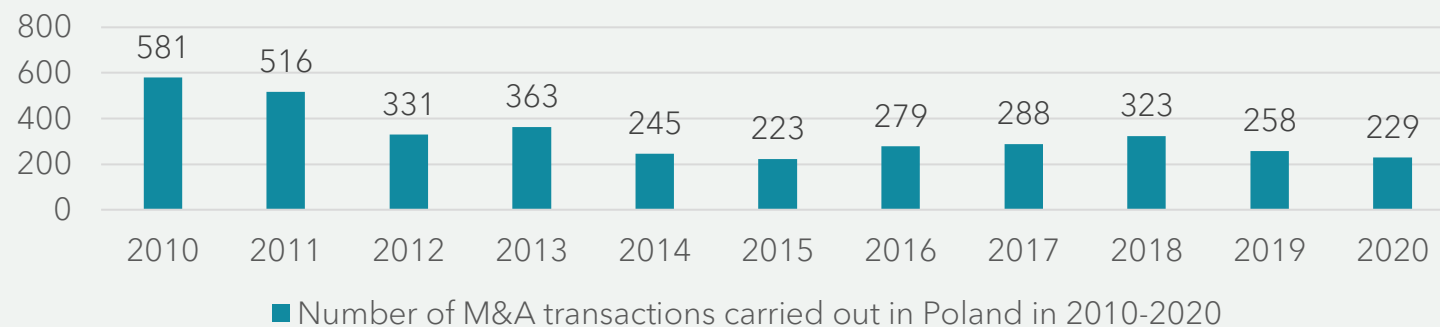
M&A transactions in Poland in 2012-2020

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of transactions	581	516	331	363	245	223	279	288	323	258	229
Total value (billion euro)	21,5	17,5	9	12	8,7	6,3	11,2	10,6	6,5	10,9	11,7
Value of the largest transaction (billion PLN)	3,0	18,6	4,4	6,0	6,2	2,4	12,7	4,3	4,2	5,0	9,6

Source: author's own study based on databases: FORDATA, M&A Reports Index Poland in 2012-2020, Industry reports and Navigator Capital, M&A market in Poland.

**List of the
largest mergers
and
acquisitions in
Poland in 2010-
2020
[in bln PLN]**

Number of M&A transactions carried out in Poland
in 2010 - 2020



Years	Transactional purpose	Buyer	The value of transaction (in bln PLN)
2010	BZ WBK	Bank Santander	3,0
2011	Spartan Capital Holdings	Polkomtel	18,6
2012	Kredyt Bank	BZ WBK (Bank Santander)	4,4
2013	Polkomtel	Cyfrowy Polsat	6,0
2014	Metelem Holding Company Limited	Cyfrowy Polsat	6,2
2015	TVN	Scripps Networks	2,4
2016	Allegro	Cinven, Permira&Mid Europa	12,7
2017	Żabka	CVC Capital Partners	4,3
2018	Unipetrol	PKN Orlen	4,2
2019	DCT Gdańsk	PFR, PSA International & IFM Investors	5,0
2020	Play Communcations	Iliad SA	9,6

Conclusion

- The conclusion derived from the research allows to accept the inference that the tendency in the number of mergers and acquisitions is decreasing in the analyzed period.
- Nonetheless, the crisis situation resulting from the COVID-19 epidemic will require verification of the adopted observations in the following years.
- Every investor should make a profitability analysis so as not to expose the company to unnecessary financial losses.