



CVCA Private Equity Report

Summary of deal activity
in 2015–2016

June 2017

Welcome to the 2015–2016 Activity Report of the Czech Private Equity & Venture Capital Association, produced by Deloitte in association with the Czech Private Equity & Venture Capital Association.

Introduction

Central Europe on Centre Stage Again

The Central & Eastern European (CEE) private equity (PE) market appears to be enjoying a post-crisis renaissance, with realisations and fundraising picking up steam in 2015 and 2016. The recovery is significant because it suggests investors are taking another look at the region following a long pause for thought. This is encouraging, though unsurprising, given the positive economic backdrop in most of CEE as well as increasing exit activity. The Czech Republic played a large role in this uptick.

The CEE region blipped strongly on deal-doers' radars last year, when a number of sizeable exits captured headlines and thus the attention of investors – both GPs and LPs alike – who were pausing elsewhere following the Brexit aftermath in much of the rest of Europe.

The Czech Republic, despite its size, reinforced its position as a major market for deal-doers in the CEE region. AVG Technologies, one of the region's unicorns, was sold to Avast, itself Czech-founded and backed by CVC and Summit Partners, in a \$1.3bn deal. The deal marked an exit for TA Associates, the latest in a string of PE backers to help grow the Czech-born anti-virus software business.

Of course the region is mostly a mid-market one, and there were a number of important exits of Czech businesses a bit further down the value chain: local player Genesis Capital exited five businesses over the last two years, while ARX Equity Partners divested three. LPs, increasingly prioritizing multiples over IRRs, would have been impressed with the 11x MoC generated by MCI when they sold Czech travel operator Invia to investment firm Rockaway for €76m last year.

All these exits were very welcome – and perhaps overdue – given investors' long-standing concerns with low exit volume and relatively long hold periods in the region. Many international investors had first backed the region in the run-up to the financial crisis, when CEE was a highly sought-after investment destination, but then felt CEE had overpromised and underdelivered. Data suggests this perception may have been justified until 2011, when exit values picked up for a couple of years until 2014, when divestment activity ground to a halt. Last year's handful of large exits, accompanied by a number of mid-market realisations, should have given investors comfort that CEE GPs are able to harvest returns. ➔

Indeed the increasing exit activity may be reigniting investor interest in the region, with a number of funds successfully raising capital: ARX Equity Partners, Genesis Capital, Credo Ventures, Abris, Equitin, Resource Partners and Mezzanine Management all have fresh vehicles to invest from (from first of final closes). Altogether, more than €1bn was raised in 2015 and 2016 by local players to invest in the region over the coming years. As important as the sum is the source: long supported for international institutional investors as well as IFIs, local institutional investors are backing private equity funds for the first time. This significant development, combined with international demand from institutions, means the share of IFI funding into CEE funds has declined remarkably from 48% in 2013 to just 19% in 2015.

Of course the growing attractiveness of the region means it is not just local players investing. Last year saw a handful of mega-deals done by international sponsors, including the \$3.25bn buyout of Polish online marketplace Allegro, which saw global buyout house Permira team up with local sponsor Mid Europa. As a result of increasing interest in the region from abroad, it is important to consider the funds of investors whose remits include CEE, and Invest Europe estimates that up to €14.3bn could be available to invest across the region taking into account allocations from the global funds raised over the last two years.

The future looks bright for the region's markets. Deloitte's latest Confidence Index reflects optimism for the coming months¹ and data suggests the start to this year has been very strong for the region as a whole: the first five months of 2017 saw the highest level of buyout volume recorded for six years, with 17 buyouts valued at €1.7bn, according to unquote" data. LPs will be encouraged to know that 14 of these were primary deals, in stark contrast to the rest of Europe where secondary buyouts are increasingly common. Freshly filled (and filling) GP coffers combined with liquid debt markets should mean the buyout market is poised for continued growth, while the venture market should benefit from a new EIF-managed early stage fund of funds. Perhaps most importantly, there are increasing numbers of businesses ripe for private equity backing – it is now more than two-and-a-half decades since centrally-planned economies were replaced with the profit motive, and in that time a large number of businesses have come of age. Every year more and more of these owner-managed businesses consider their own succession, creating vast opportunity for private capital and expertise to help these businesses with their next phase of growth. The Czech Republic, with its robust macro-economic backdrop, strong manufacturing heritage, newly developing cluster of high-tech companies and large number of targets in the lower and mid-market segment makes it remarkably well placed to continue to play a leading role in the region's PE market.

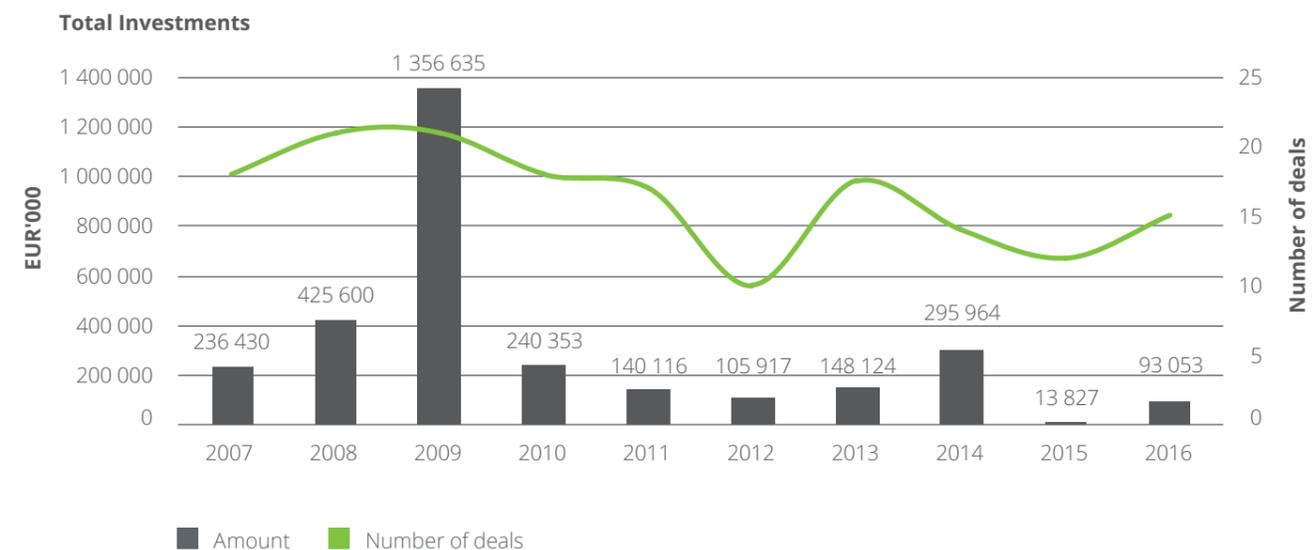


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Ondřej Jež
Director
Deloitte

Graph 1



Source: EVCA Yearbook 2015–2016

Czech private equity investments saw an uptick in activity over the last two years, with deals coming from local as well as non-local players. In contrast to economic data coming from much of the rest of Europe, the Czech Republic has enjoyed strong GDP growth as well as declining unemployment and rising wages, all resulting in higher consumption levels. GDP growth is forecast to reach 2.6% in 2017 and 2018².

Despite the occasional large deal, the Czech and CEE markets are mid-market ones, with a healthy number of well-established local GPs poised to take advantage of an increasing number of deal opportunities as the first wave of post-communist entrepreneurs face succession issues. An example of this was Genesis Capital's investment into Quinta-Analytica, a healthcare research and service provider. In June 2016, three of the five owners wanted to leave following twenty years with the business, offering Genesis Capital an entry. Another example, recently exited, was Genesis Capital's investment into Swell, which had been established in

1993 and whose owners were looking for a succession solution when Genesis Capital backed it in 2014 before selling it in 2016.

All three of the most active GPs in the Czech Republic, ARX Equity Partners, Genesis Capital and Credo Ventures enjoyed strong interest from private as well as institutional funding. This interest would have been supported by the strong performance of the GPs over the last few years, as a number of businesses that grew under private equity stewardship were harvested and generated handsome distributions for the backers.

Crucially, these funds also attracted various local institutional investors for the first time, including insurance companies, family offices and banks, investing both directly and on behalf of their retail clients via feeder funds. This is a significant development for a region which had hitherto relied on foreign investment and IFIs to support the private equity market. As investors increasingly seek yield in competitive markets, and GPs have come

of age, both by establishing heritage as well as furnishing investors with attractive returns, investors from far – and now near – are enticed by the region's prospects. Genesis Capital's latest fund, for example, saw major international institutional backing complement local funding following a first close. This marks a sea change for the Czech private equity ecosystem.

The country punches above its weight in terms of attracting interest. In addition to the aforementioned institutional interest, foreign GPs are looking to the region: US-based TA Associates backed Prague-based payment solutions business WAG and New York-based Clarion Partners backed Moravia IT. Chinese investment firm CEE Equity Partners made their debut Czech investment when they backed Energy 21, an alternative energy company. So strong are the opportunities in the Czech Republic, long-established local player ARX Equity Partners closed its Polish office to focus more on the Czech Republic and other countries in the region.

¹ <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/private-equity-confidence-survey.html>

² <http://www.focus-economics.com/countries/czech-republic>

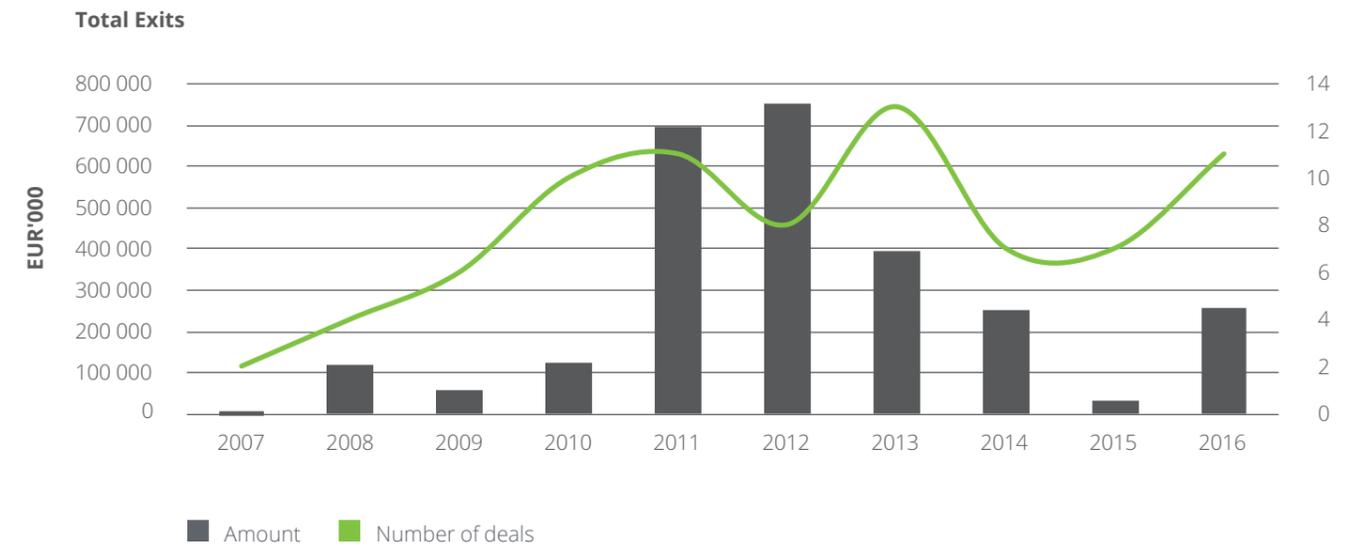
Graph 2



2016 marked a strong year for venture in the Czech Republic, with the increase in venture deals accompanied by an increase in growth deals as well, though buyout volume remained low – just two recorded in each 2015 and 2016, down markedly on previous years. The low volume of deals may be at least partly a result of GPs’ focus on fundraising as well as a strong exit environment: multiples are up, and GPs may be focusing on generating returns for their investors as they turn their attention to raising fresh pools of capital to deploy.

Venture deals, typically smaller and less impacted by creeping multiples, are growing in number. Credo Ventures was the most active venture investor, clocking up five deals and one realisation in the Czech Republic in 2015 and 2016.

Graph 3



Exit activity rebounded strongly in 2016 following a lackluster 2015. A handful of mid-market exits showed that GPs can generate returns for their investors, and some fairly swiftly: Genesis Capital sold automotive R&D services firm Swell following a two-year hold period when it sold the business to a French trade buyer, one of six exits the Czech investor clocked up during the two-year report period. Others were Profimedia, HSW Signall, Game Czech, Roltechnik and AZ Klima – all going to corporate buyers, illustrating the ability of Czech businesses to grow to a size worthy of international trade interest.

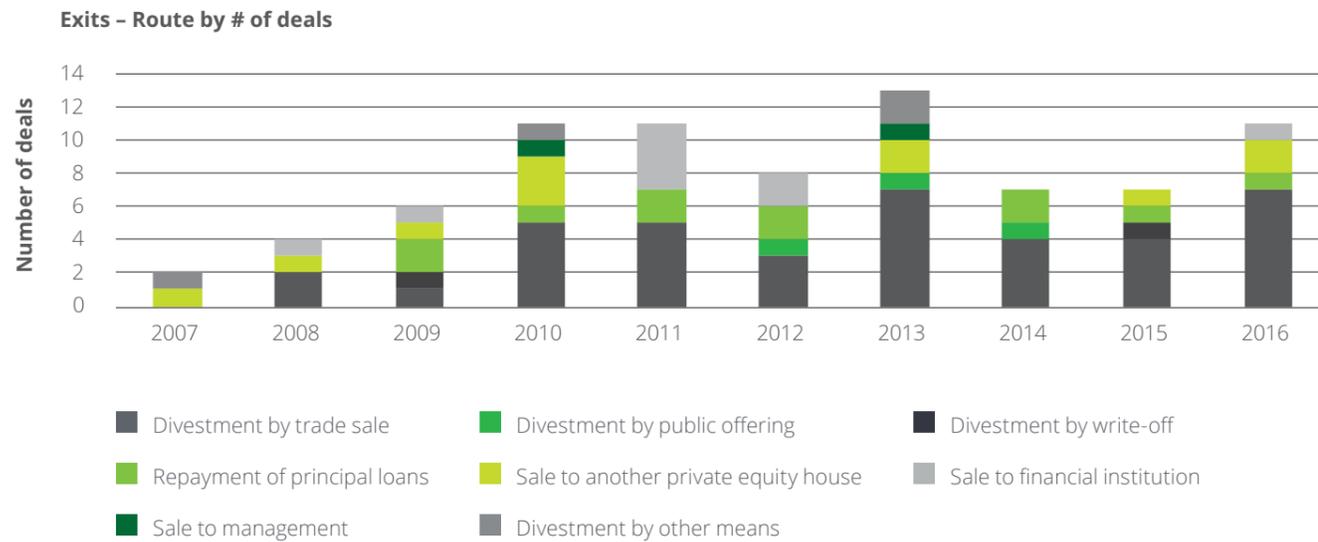
Many exit routes are open to PE-backed businesses in the Czech Republic, with ARX’s hat-trick of divestments – Lanex/ Singing Rock and Bochemie going to

different buyer types. Venture players also enjoyed exits, with technology growth investor 3TS selling Nej.cz, a cable operator, to investment firm Kaprian Industrial, and Credo Ventures selling Represent to a trade buyer.

Mid Europa Partners monetised its five-year investment in Energy 21 when it sold the asset to CEE Equity Partners, marking the latter’s first investment in the Czech Republic.

One exit in particular helped to reinforce the country’s unicorn-producing ability: AVG was sold to Avast for \$1.3bn – both Czech-born businesses, with the former providing an exit to TA (the latest in a string of PE backers) and the latter being backed by CVC and Summit Partners.

Graph 4



Source: EVCA Yearbook 2015–2016

Despite the clear interest of trade buyers in Czech businesses, the last two years have shown that all exit routes are open for PE-backed businesses. Mid Europa sold Energy 21 to CEE Equity Partners, a Chinese PE fund for CEE, while Enterprise Investors floated drinks maker Kofola in a CZK 11.4bn IPO on the Prague exchange.

In the venture space, Credo Ventures reminded the market of PE's ability to take a fast-growing Czech business into the sizeable US market when it brought Represent state-side, with the customised merchandise business later sold to trade buyer Customink for approximately \$100m.

Venture Capital/Private Equity highlights

2015–2016 Investments

PE House	Country	Company	Period	Est. Value	Stake	Description
Credo Ventures	Czech Republic	TeskaLabs	July 2015	CZK 9,1 mil.	n/a	Credo Ventures together with a mix of private and institutional investors including noted tech accelerators StartupYard Prague and Techstars London decided to invest 9.1 m CZK in TeskaLabs, a hi-tech security startup, in a pre-seed funding round. The start up company was founded in Prague and has operations in London. TeskaLabs, produces cutting edge enterprise-grade security for mobile and Internet of Things (IoT) applications. The investment will be used to recruit top technical talent, and expand the company's research and development in Prague.
Credo Ventures	Czech Republic	Version Press	July 2015	USD 400,000	n/a	Credo Ventures invested \$400,000 in the Prague-based startup VersionPress, developing a next-generation WordPress admin & backup tool that is powered by Git. The tool enables a user to undo anything (including database changes), clone & merge sites and maintain efficient backups.
Credo Ventures	Czech Republic	Represent	February 2015	USD 6 mil.	n/a	Credo Ventures invested alongside other investors in Represent, which is a social commerce apparel company that created a self-service platform enabling quick launch of fundraising campaigns and production of custom promotion merchandise. Users can easily create custom-branded merchandise, launch a flash sales campaign on represent.com and promote it across its community or following. The company is based in Los Angeles and Prague.
Clarion Capital Partners, LLC	Czech Republic	Moravia IT a.s.	February 2015	n/a	n/a	Clarion Capital Partners, a New York-based middle market private equity firm, has acquired a majority interest in the translation, localization and testing company. Moravia IT's 2014 revenues exceeded USD 100 million. Moravia was founded in 1990 by the Forstinger couple. After ten years the subsidiary Moravia IT was founded, specializing in localization and software testing. In 2012 both companies merged. The Brno based company employs more than 850 people and has subsidiaries in the U.S., Japan, China and Argentina. Its services are used by IBM, Microsoft or Oracle ³ .
Mid Europa Partners	Czech Republic	Walmark	February 2016	n/a	100%	Mid Europa Partners, the largest private equity firm focused on Central Europe and Turkey, increased its stake in Walmark a.s. to 100%, buying out the founding Walach family. Walmark is a major Consumer Healthcare player in Central and Eastern Europe with a leading position in dietary supplements in the region. Mid Europa originally acquired a 50% stake in the Company in December 2012.

³ The deal has not been included in the European database for the Czech Republic, because Clarion Capital Partners has also other investment activities than PE

PE House	Country	Company	Period	Est. Value	Stake	Description
TA Associates	Czech Republic	W.A.G. payment solutions	January 2016	n/a	n/a	TA Associates, a leading global growth private equity firm, announced it has completed a minority investment in W.A.G. payment solutions, a.s. ("Eurowag"), a leading, high growth provider of payment solutions for freight and passenger carriers across Europe and Turkey. Eurowag has a turnover of more than 1 billion euro and enjoys a sustained growth of 25% per annum.
CEE Equity Partners	Czech Republic	Energy 21	January 2016	n/a	n/a	Mid Europa Partners, the leading private equity firm in Central and Eastern Europe and Turkey, agreed with CEE Equity Partners, the investment advisor to the China CEE Investment Co-operation Fund ("China-CEE Fund"), to invest in Energy 21. Mid Europa invested in Energy 21 in 2010 and has since developed it into the largest Czech-based independent operator of photovoltaic power plants in Central and Eastern Europe, with an installed generation capacity of 61 megawatts peak. The China-CEE Fund was established by China Exim Bank in partnership with other institutional investors from the CEE region to capitalize on investment opportunities in CEE countries.
BHS Private Equity Fund	Czech Republic	GEVORKYAN	April 2016	n/a	n/a	BHS Private Equity Fund specializing in small and medium enterprises in the Czech Republic and Slovakia, announced its first investment in GEVORKYAN, Ltd. – a unique producer in the powder metallurgy industry. The investment was made in cooperation with the EIF, who participated in this transaction through the JEREMIE Co – Investment Fund managed by the Limerock Fund Manager. Gevorkyan will continue to strengthen its position as a leading innovative producer in the field of powder metallurgy. Until 2019, the company is planning to increase sales volume by 40% compared with 2015. To achieve these results, the company plans to invest about 7.5 mil. Euro into the expansion of production and storage capacities between 2015 and 2017.
Y Soft Ventures	Czech Republic	GreyCortex	June 2016	USD 1,3 mil.	n/a	Y Soft Ventures, a Brno based corporate venture investor invested 1,3 million USD in GreyCortex, a company developing Mendel solution for analysis and forensics monitoring of network operations. The part of its solution is also detailed tool for maintaining networks. Mendel is being used by several customers already, such as National Security Office or Mexican University UACM. The startup was officially founded in the middle of May 2016 and it has become a competitor of renowned Czech companies, such as Cognitive Security or Invea Tech.
Y Soft Ventures	Czech Republic	Lumitrix	June 2016	USD 1,1 mil.	n/a	Y Soft Ventures, a Brno based corporate venture investor invested 1,1 million USD in Lumitrix, a start up developing a software and hardware solution for videomapping. Until recently, videomapping was being developed mainly for entertainment purposes, but the CEO of Lumitrix sees a growth potential for business sphere as well. Lumitrix will use the invested money mainly for strengthening its business on the global level.

PE House	Country	Company	Period	Est. Value	Stake	Description
Genesis Capital	Czech Republic	QUINTA-ANALYTICA	June 2016	n/a	75%	Genesis Private Equity Fund III (GPEF III), a private equity fund advised by Genesis Capital, has acquired 75 % of the company QUINTA-ANALYTICA, an established provider of R&D and regulatory services for pharmaceutical, biotechnology and generic drug industries. The entry of GPEF III into QUINTA-ANALYTICA can be seen as one of the possible solutions of the succession-type transactions, which have recently become a big topic for Czech SME companies. Three out of the five current company owners decided to leave the company after twenty years of active management. GPEF III bought their share and became the owner of 75 % of the company. The remaining 25 % are held by two managers that are staying with the company. QUINTA-ANALYTICA s.r.o. is one of the biggest independent companies in Central and Eastern Europe specialising in commercial services for pharmaceutical, biotechnology and generic drug industries as a contract research organization (CRO). The main domains are pharmacokinetics and BA/BE clinical studies, bioanalytics, drug analysis including method development and transfer, batch quality control release, stability studies, analytics in inhalation antiasthmatics, peptides and proteins.
Credo Ventures	Czech Republic	Productboard	June 2016	USD 1.3 mil.	n/a	Productboard, the makers of a product management system that helps to organize user research and prioritize development tasks, has raised \$1.3 million in seed funding to further its business. The round was co-led by Index Ventures and Credo Ventures, and included participation from Spread Capital. Productboard offers a better way of aggregating and organizing feedback requests and other input from a variety of channels, including customer support tickets, emails, input from internal teams, direct user research and more, and then connect those tasks to the features that would need to be built to address customers' needs, as well as with the business's larger strategic goals.
Credo Ventures	Czech Republic	Cera	November 2016	£1.3 mil.	n/a	Cera, a revolutionary health-tech start-up, launched its on-demand social care platform after completing the largest-ever seed round in Europe's healthcare history. Former and current heads of leading tech giants, Credo Ventures, international banks, the World Health Organisation, and award-winning food delivery service JustEat*, have pumped £1.3 million into the disruptive business, which aims to solve the country's growing need for quick, reliable, and transparent social care. Although a UK based company, Cera is very much connected with the Czech Republic – the technology team is located here; Prague based VC fund Credo Ventures participated in the financing round and one of the founders is Marek Sacha, former CEO of Rohlik.cz

Source: Public information
Note: Excluding follow on investments

2015–2016 Exits

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
Profimedia	Czech Republic	Genesis Capital	Scandal Media	January 2015	n/a	40%	Genesis Capital, one of the largest providers of private equity in the Czech Republic and Slovakia, has exited its investment in Profimedia after almost five years. Megiedon, a member of the Scandal Media group, majority-owned by entrepreneur Karel Vágner, has bought a sixty percent interest. The new owner acquired the remaining 40% through the purchase of the interest of Petr Novák, founder of Profimedia. Profimedia is the largest photo bank in Central Europe and number one on the Czech and Slovak markets. Genesis Capital entered the company through the GPEF II fund investment in June 2010. Profimedia applied the resources obtained to finance its expansion abroad.
Lanex a.s.	Czech Republic	ARX Equity Partners	Rudolf Bochenek	January 2015	n/a	n/a	ARX Equity Partners completed the exit of its investment in Lanex a.s. Czech entrepreneur Rudolf Bochenek acquired Lanex on November 18, 2014. ARX Equity Partners had partnered with Lanex's CEO Rudolf Gregorica and acquired a majority stake in Lanex in October 2008 in a management buyout transaction. During its investment period, ARX Equity Partners supported the investment into new production technologies and entering into new markets, including the establishment of a production subsidiary in Russia. As a result of strengthened product development and increased sales activities, Lanex had consistently grown sales and profitability and achieved € 31 million in sales and € 3 million in EBITDA in 2014.
HSW Signall	Czech Republic	Genesis Capital	Vink Holdings Limited.	January 2015	CZK 272 mil.	100%	Genesis Capital sold its majority share in HSW Signall, a market leader in the supply of materials and technologies for advertising and large format printing industries in the Czech and Slovak markets, to the British Vink Holdings Limited. Genesis Capital after nearly two years exited its successful investment in HSW Signall. Over the period when Genesis Capital was a major shareholder with a 80% share, HSW Signall succeeded in increasing efficiency and remarkably improved its profitability. Annual sales have grown from 230 million CZK in 2012 to 272 million CZK in 2014. Vink Holdings Limited, a member of the multinational group Amari Plastics, became the new owner with a 100% share. Along with Genesis Capital, both co-founder Jan W. Drnek and HSW Signall's CFO Jan Tyl, sold their minority shares in the company. Genesis Capital had acquired the share in HSW Signall through its GPEF II fund in March 2013.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
Bochemie	Czech Republic	ARX Equity Partners	Schulke	February 2015	n/a	n/a	ARX Equity Partners has partially exited its investment in Bochemie, a diversified consumer and specialty chemicals company, with a product portfolio including bleach, kitchen, bathroom & universal cleaners, anti-mildew products, hand dishwashing products and laundry bleaches. Schülke, a subsidiary of Air Liquide and a specializing in hygiene and disinfection products acquired Bochemie's hygien division. ARX Equity Partners had entered Bochemie in 2010, joining Benson Oak, a Czech investment group as fellow investors; Benson Oak had acquired a majority part of Bochemie already in 2007. In 2013, the investors already sold the Savo and Biolit brands to Unilever.
Singing Rock s.r.o.	Czech Republic	Arx Equity Partners	Czech private investor group	April 2015	n/a	n/a	ARX Equity Partners, a leading Central European mid-market Private Equity Fund, has sold SINGING ROCK s.r.o. to a Czech Private Investor Group. The parties agreed not to disclose any details of the transaction. SINGING ROCK, is a leading Czech manufacturer of high-end fall protection equipment for the work at height, climbing and rescue markets, offering a comprehensive portfolio of quality products including industrial and sports harnesses, helmets, dynamic and static ropes and a wide range of metal parts and accessories.
Feedo	Czech Republic	MCI Investment Group	windeln.de	April 2015	n/a	n/a	The venture capital fund of MCI Capital announced their exit from Feedo, a leading and growing online retailer in the Czech Republic. Windeln.de AG, one of the leading and fastest growing online retailers for baby, toddler and children products in Germany, Austria and Switzerland, entered into an agreement regarding the acquisition of Feedo Sp. z o.o. with its online shops "www.feedo.cz", "www.feedo.sk" and "www.feedo.pl". The Prague-based company Feedo was founded by Matúš Karaffa and Martin Molčan in 2010. Feedo started with selling baby and toddler products for daily needs and later on expanded into cross-selling higher margin goods. After launching its online shop in the Czech Republic and Slovakia, Feedo recently expanded into Poland. In 2014, Feedo generated consolidated revenues of approximately €6 million. Feedo will become a 100 percent subsidiary of windeln.de, but will remain an independent business unit headquartered in Prague. Furthermore, Feedo will retain its brand name and continue to operate its shop websites. MCI had entered the company only in 2014 and reported a net IRR of above 500% on the transaction.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
JRC Czech (Game Czech)	Czech Republic	Genesis Capital	Hamaga	July 2015	n/a	100%	Genesis Capital has sold its share in JRC Czech, the Czech and Slovak leader in the segment of video games and videogame consoles. During the nearly three years under the ownership of GPEF II Fund, JRC Czech has doubled its sales, providing shareholders with above average return on their investment. Minority shareholder Slavomír Pavlíček sold his share together with Genesis Capital. JRC Czech was acquired by Hamaga, a company so far mainly specializing in the tourism and development segments. JRC Czech runs an e-shop and a network of 30 brick-and-mortar stores in the Czech Republic, most of them situated in prime locations in major shopping malls, including the New Smíchov shopping arcade. In addition, JRC operates 10 shops in Slovakia. With a consolidated turnover of nearly half a billion crowns, JRC is the largest retail vendor of a wide assortment of computer games and gaming consoles in the Czech Republic and in Slovakia.
Kofola	Czech Republic	Enterprise Investors	IPO	December 2015	EUR 23 mil.	6%	Enterprise Investors-backed Czech soft drink producer Kofola has listed in a CZK 11.4bn IPO on the Prague stock exchange. The GP sold a 6% stake in the company, held through its CED Group holdco, while Kofola retained 37.3% of its own share capital through the KSM Investments vehicle. Enterprise Investors held 43.3% of Kofola before the share sale, while KSM had 51.4%. The company raised €5m in new capital, while the exit generated total gross proceeds of €23m for exiting investors. The IPO marked the first listing of an Enterprise Investors portfolio company on the Prague Stock Exchange. Kofola is an Ostrava-headquartered producer of soft drinks, operating in the Czech Republic, Slovakia and Poland. It was acquired in 2008, with Enterprise Investors paying €135m for a 43.3% stake through its Polish Enterprise Fund VI ⁴ .
Energy 21	Czech Republic	Mid Europa Partners, Darby Converting Europe Mezzanine Fund	China-CEE Fund	January 2016	n/a	n/a	Mid Europa Partners ("Mid Europa"), the leading private equity firm in Central and Eastern Europe and Turkey, has reached an agreement with CEE Equity Partners, the investment advisor to the China CEE Investment Co-operation Fund ("China-CEE Fund"), to invest in Energy 21. Mid Europa invested in Energy 21 in 2010 and has since developed it into the largest Czech-based independent operator of photovoltaic power plants in Central and Eastern Europe, with an installed generation capacity of 61 megawatts peak. The US Darby Converting Europe Mezzanine Fund had invested a EUR 15,3 million mezzanine facility in 2009.

⁴ The deal is not included in the European database for the Czech Republic because the company's headquarters were located in Poland at the time of the original PE investment.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
Alpha Medical	Czech Republic, Slovakia	Mid Europa Partners	Unilabs	April 2017	n/a	n/a	"Mid Europa Partners, the leading private equity firm focused on Central and South Eastern Europe, sold Alpha Medical, the leading provider of laboratory testing services in the Czech Republic and Slovakia, to Unilabs, a pan-European laboratory diagnostics provider. The transaction represents the largest healthcare transaction in Central Europe since 2008. It is also the largest private equity exit in the Czech and Slovak markets since Mid Europa's sale of its stake in T-Mobile CZ in 2014. Alpha Medical is the #1 provider of laboratory diagnostics in the Czech Republic and Slovakia, offering a full range of routine and specialised tests and operating a fully integrated procurement and workflow system. During Mid Europa's ownership, Alpha continued its pro-active market consolidation, with EUR 120 million invested in 27 add-on acquisitions and capital expenditures. The Company has more than doubled the number of laboratory tests it performs annually to over 55 million tests in 2016, and has increased employment by over 50% to 1,550 professionals.
Represent	Czech Republic, US	Credo Ventures	Custom Ink	February 2016	n/a	n/a	Credo Ventures exited their investment in Represent, a Los Angeles and Prague-based social commerce startup that helps influencers like actors, athletes, musicians, and thought leaders create and sell limited-run t-shirts and merchandise to their fans and followers. With its roots in celebrity-backed social media fundraising campaigns, Represent has attracted high-profile investors including Ashton Kutcher and Guy Oseary of Sound Ventures, James Franco, and WME/IMG. Represent was acquired by While the companies will integrate their supply chains and other aspects of their operations and technology, Represent will continue to operate as a distinct brand out of its offices in Los Angeles and Prague. Credo Ventures had invested in the company alongside other investors in 2015 and helped them to raise investments around 150 million CZK. The news in the US said that CustomInk paid 100 million USD for the company. Both companies will keep on operating under different brands for now slowly incorporating Represent to CustomInk.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
Invia	Czech Republic	MCI, Mezzanine Management	Rockaway	March 2016	EUR 76 mil.	100%	CEE-focused private equity firm MCI has made 11x money on the full exit of online travel agent Invia, a Czech Republic-headquartered travel booking website operating in Poland, the Czech Republic, Slovakia and Hungary, to Czech investor Rockaway Capital, which valued the company at €76m. The GP's MCI.TechVentures Fund exited its investment alongside fellow shareholders Mezzanine Management and founder Michal Drozd. MCI sold its 80% stake in Invia for €56m, netting a 46% IRR on the deal, with 11x money returned on its primary investment in Invia and 3.5x on secondary investments. The firm said the sale marked the highest return on a single investment in the history of its MCI.TechVentures Fund and the vehicle's third exit from a Czech Republic-founded portfolio company. During its time as owner of Invia, MCI claims to have delivered 25% revenue growth and 40% EBITDA growth on an annual basis. The GP was also behind the merger of Invia and Polish peer Travelplanet – another MCI portfolio company. Invia became part of MCI's portfolio in 2008, when the GP made its primary investment in the company through a €3.7m round financed by the MCI.TechVentures Fund. In 2011, MCI backed Invia's acquisition of fellow portfolio company Travelplanet. MCI committed a further €3.85m to Invia in a June 2013 round that also saw Mezzanine Management join the company's group of backers. The mezzanine provider injected €7.5 m in September the same year for a minority stake.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
AVG	Czech Republic	TA Associates	Avast	July 2016	US 1,3 bil.	n/a	Avast Software, an industry-leading maker of the most trusted security software in the world, and AVG Technologies, a developer of business, mobile and PC device security software applications, entered into a purchase agreement in which Avast purchased all of the outstanding ordinary shares of AVG for \$25.00 per share in cash, for a total consideration of approximately \$1.3billion. Enough AVG shareholders, including TA Associates with 13%, have accepted Avast's bid, allowing AVG to acquire the company and assume it under the Avast structure. Both Avast and AVG are industry pioneers founded in the Czech Republic in the late 1980s and early 1990s, that expanded internationally in the 2000s, and now will be combining complementary strengths to position Avast for continued growth in the security industry. AVG has been owned by PE funds since 2005, when Enterprise Investors and Intel Capital acquired a 65% stake in a deal worth around \$52m. Enterprise took a 45% stake with Intel Capital buying 20%, while the remainder stayed in the hands of private equity house Benson Oak. In October 2009, TA paid around \$200m for a minority stake in the business, resulting in a partial exit for both Intel Capital and Enterprise. AVG then listed on the NYSE in February 2012, resulting in another partial exit for Enterprise and Intel Capital. The business raised \$128m, giving it a market cap of around \$870m. AVG is the first bolt-on acquisition for CVC and Summit Partners-backed antivirus developer Avast since CVC acquired the company in 2014. Avast has secured a \$1.685bn debt commitment from Credit Suisse Securities, Jefferies and UBS to finance the deal, in addition to \$150m of equity from Avast.
Roltechnik a.s.	Czech Republic	Genesis Capital s.r.o.	Roth Industries GmbH & Co. KG	August 2016	n/a	n/a	Genesis Private Equity Fund II (GPEF II) sold its 90% share in Roltechnik, an important Czech manufacturer of sanitary equipment, to the international group Roth Industries. Three senior managers of Roltechnik also sold their shares together with Genesis Capital, therefore Roth Industries is becoming the sole owner of the Company. Roltechnik is an important manufacturer of shower stalls and other bathroom equipment. Under the GPEF II ownership, Roltechnik expanded its product range and started with its own manufacturing of acrylate shower bases. In addition to GPEF II, the Company managers also sold their share (in total 10%) to the new owner; however they kept their positions and continue to manage the Company.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
AZ Klima	Czech Republic	Genesis Capital	ČEZ ESCO	October 2016	n/a	68,5%	ČEZ ESCO, part of the ČEZ Group, agreed with Genesis Private Equity Fund (GPEF II) to acquire the majority share in AZ KLIMA. Minority shareholders will sell their part alongside the majority owner and ČEZ ESCO will thus become the sole owner of the company providing complex services in technical facility management, ventilation and air-conditioning. GPEF II held the majority share in AZ KLIMA for five years during which the sales of the company grew by 50% and the firm cemented its leading position in the market. GPEF II acquired a 68.5% stake in AZ KLIMA in 2011. Miroslav Čížek remained a shareholder with a 30% stake, while 1.5% of shares were acquired by the company's management. During the five years with GPEF II, the leading position of AZ KLIMA on the Czech ventilation and air conditioning market strengthened substantially. Despite the impact of economic cycles and alternating negative development in the construction sector on which the company depends to a large extent, both sales and profits were growing continuously. Sales in 2011 amounted to 443 million CZK and expected to reach 710 million CZK in 2016.
SWELL a.s.	Czech Republic	Genesis Capital	Altran	October 2016	n/a	96%	SWELL a.s., the leading Czech provider of services in applied research and development for automotive industry, based in Hořice, Hradec Králové Region, changed its ownership. Genesis Private Equity Fund II (GPEF II), which was the owner of 96% stake, sold its share to the international group Altran. Together with GPEF II also the executive managers of SWELL sold their minority stake, and Altran became the sole owner of the company. The entry of Genesis Capital into Swell in 2014 represented another example of generation succession. The original founders intended to exit the company and the Genesis Capital fund acquired their stakes. The company continued its development with SWELL's existing management team, strengthened by a new chairwoman of the board of directors with extensive experience in the field of automotive industry.

Company	Country	Seller	Buyer	Date	Est. Value	Stake	Description
BKS Cable	Czech Republic	3TS	Kaprian Industrial Holding	October 2016	n/a	100%	3TS Capital Partners, a European technology growth capital investor, announced the 100% sale of Nej.cz, one of the leading cable TV and Internet service providers in Czech Republic. Nej.cz was acquired by Kaprian Industrial Holding, a Czech investment group. 3TS concluded the first investment in Nej.cz in 2008 and participated in further rounds of funding in subsequent years. Nej.cz was established in 2008 to consolidate independent cable TV and internet service providers throughout the Czech Republic and went through an in-depth transformation by offering faster internet connectivity as well as better digital TV programs to its customers. Since its launch, Nej.cz used the market opportunity to consolidate a number of local networks in add-on acquisitions, created a critical mass of subscribers and multiplied its revenue and profitability.

Source: Public information

2015–2016 CEE fund raising

Fund manager	Fund	Value (EUR mil.)	Status	Time	Description
Genesis Capital	GPEF III	EUR 45 mil.	opening	August 2015	Genesis Capital has announced the launch of a new fund – Genesis Private Equity Fund III (GPEF III), the fourth fund Genesis Capital will have managed in the 15 years since its establishment. As its predecessors, GPEF III will focus on investments into Czech and Slovak small and medium-sized enterprises with high growth potential. At launch time, the fund has EUR 45 million at its disposal. Česká spořitelna, a key investor in GPEF III, has now entrusted its funds to Genesis Capital for the third time, another long term investor is the European Investment Fund. On the contrary, IKS KB is a new investor into Genesis Capital funds, channelling for the first time capital of private investors into a private equity fund. Genesis Capital's other new partners include Kooperativa pojišťovna and Česká podnikatelská pojišťovna, both of them members of the Vienna Insurance Group. Since other potential investors have expressed interest in investing into the GPEF III fund, it is expected that the size of GPEF III may increase up to the maximum volume of EUR 80 million in the course of the next year
Credo Ventures	Credo Stage 2	EUR 34 mil.	First close	May 2015	Credo Ventures, a venture capital firm based in Prague, Czech Republic, announced first closing of its second fund Credo Stage 2 focused on early stage investments in companies with global ambition and high-growth potential from Central Europe. The fund's first closing is at EUR 34 million, with the target size of at least EUR 40 million. As one of Credo Ventures' founding partners Ondrej Bartos said, the firm wants to double down on Central Europe which in the firm's view offers an outstanding technological talent, increasing appetite for entrepreneurship and innovation. Investors include predominantly successful entrepreneurs and executives from the Central European region looking to support the regional startup environment. First closing of the second fund was comprised solely from Credo Stage 1 investors with the cornerstone investor RSJ Private Equity.
Arx Equity Partners	Arx CEE IV	EUR 54 mil.	First close	July 2016	ARX Equity Partners, a leading lower mid-cap focused private equity firm operating in Central Europe, announced the first closing of its fourth fund, ARX CEE IV (the "Fund"), at € 54 million, with total subscribed commitments of € 66 million. The Fund, which has a target of € 100 million including commitments from the European Investment Fund (EIF), will continue to execute the ARX Equity Partners value-creation strategy of investing in lower mid-cap businesses and SMEs in select Central European countries. ARX Equity Partners has completed 22 platform investments and numerous add-on acquisitions over its two-decade operating history in the region. ARX Equity Partners anticipates that the majority of the Fund will be invested in the Czech Republic, where the firm has established itself as a market leader in succession-driven transactions.

Fund manager	Fund	Value (EUR mil.)	Status	Time	Description
Genesis Capital	Genesis Private Equity Fund III (GPEF III)	EUR 82 mil.	completed	September 2016	Genesis Private Equity Fund III (GPEF III), fourth in the line of private equity funds advised by Genesis Capital, secured more than € 80 million (CZK 2.2 billion), mostly from institutional investors. These resources are available for investment into small and medium-sized enterprises in the Czech Republic and Slovakia and partly also in Poland, Hungary and Austria. This amount was committed by traditional investors as well as new investors, such as insurance companies and pension funds, which are institutions that had not invested in private equity funds in the Czech Republic before. The first investors, just like in case of previous Genesis Capital funds, included Česká spořitelna, the European Investment Fund (a subsidiary of the European Investment Bank) and eQ Private Equity (a large Finnish asset manager). They were joined by the IKS KB (a member of the French group Amundi, Europe's largest asset manager), and insurance companies Kooperativa pojišťovna and Česká podnikatelská pojišťovna. In subsequent closings, they were further joined by an internal pension fund of a major global company and a Czech family office.
Credo Ventures	Credo Stage 2	EUR 53 mil.	Final close	October 2016	Credo Ventures, a venture capital firm based in Prague, Czech Republic, announced the final closing of its second fund Credo Stage 2 focused on early stage investments in companies with global ambition and high-growth potential from Central Europe. The fund closed at EUR 53 million, exceeding by far the original target of EUR 40m. Several new LPs (mostly HNWIs) as well as the EIF as the first institutional investor joined Credo's fund after the first closing.

Source: Public information

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