

2022 – market cool-down after a record 2021

198 – number of announced deals

€628m¹ – the largest announced deal

€2.4bn¹ – total disclosed value of announced deals

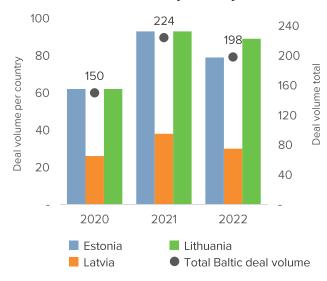
41% – share of announced deals with a financial investor

M&A activity across Europe and the Baltics

M&A activity in 2022 is experiencing the same challenges facing the rest of Europe – geopolitical instability, record inflation and unprecedented energy costs squeezing purchasing power. While some deals arose purely due to these conditions, the overall effect is a slowing down of activity and increased caution on the side of decision makers

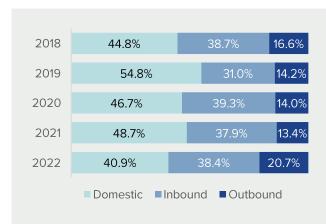
- M&A activity in Latvia continues to lag Baltic peers with only 30 deals in 2022, and Latvia also experienced the sharpest relative drop in activity among the Baltic states
- Estonia's M&A activity continues to be led by software and internet and e-commerce industries, together delivering 30 of the country's 79 deals in 2022. As in previous years Estonia had the largest transaction value, driven by its start-up ecosystem raising funds even in the challenging 2022

Announced deal volume by country, 2020-2022



– M&A activity in Lithuania experienced the smallest decrease in 2022, also having a strong year in the IT sector, with 27 of the country's 89 transactions. Compared to the other Baltic states, Lithuania had higher activity in the Healthcare sector, driven almost entirely by INVL's continued sector consolidation, contributing 5 of the 8 Healthcare transactions in 2022

Pan-Baltic vs cross-border² deals



Domestic and Inbound deals continue to drive market activity, however, there has been a significant up-tick in Outbound M&A activity from the Baltic states. Outbound transactions count grew by 37% when compared to 2021, while all other M&A activity in the Baltics fell. In particular, Domestic activity decreased even more than Inbound transactions

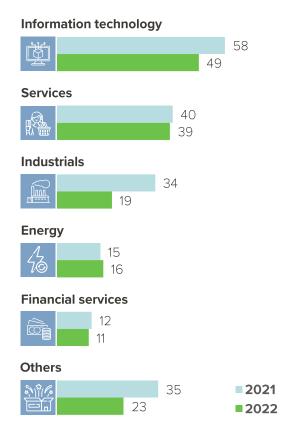
Source: Mergermarket. Search criteria for included deals: at least one of the targets or bidders is located in the Baltics; includes non-qualifying deals

¹ Transaction value, not Enterprise Value. Only disclosed values are considered

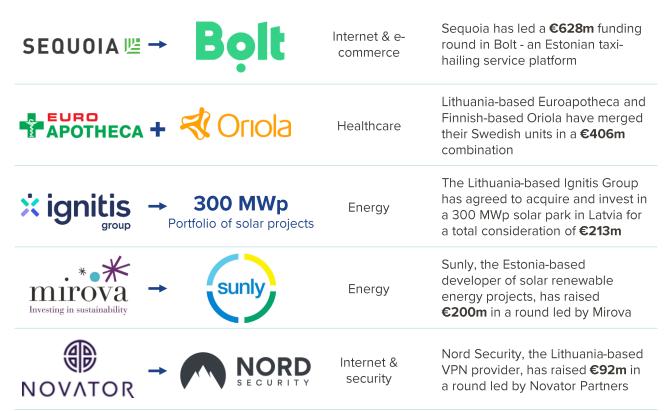
 $^{^{2}}$ We define cross-border deals as transactions where either the target or the bidder is based outside the Baltics

Leading industries by inbound and domestic deal volume

- As is tradition, most Baltic transactions happened in the IT sector (combining software, internet and e-commerce), however, within the IT sector almost all of the drop in activity can be attributed to the e-commerce industry, where transaction count decreased by 60% after a record 2021
- Alongside software, the services sector also remained strong throughout the 2022 market turbulence, whereas the Industrials sector experienced a drop across all sub-sectors
- The energy sector saw a continued high level of activity even after the record 2021. The last two years had average 15 energy transactions annually, whereas the previous average was around 5-6 transactions per year
- While Baltic fundraising activity remained similar to 2021, this year was unusual due to the size of funding rounds – 60% of the 15 largest disclosed transactions were capital raises
- In the Other category, the major fluctuations were contributed by the retail sector, seeing the lowest activity in the last 5 years, likely driven by concerning consumer purchasing outlook



Largest deals in the Baltics in 2022



Announced transactions, including deals where the target or bidder is in the Baltics

Oaklins deal spotlight



On behalf of the seller: SAINT-GOBAIN

Pan-Baltic cooperation supported an international glass transaction

- Glassolutions Baltiklaas, the largest architectural glass producer in the Baltics, has been sold to Barrus by Saint-Gobain, the global glass group
- Baltiklaas operates two production sites located in Estonia, producing insulated glass units (IGUs). It was the architectural glass unit of Saint-Gobain and was separated from the group's operations alongside the transaction process
- Oaklins' teams in Estonia and Latvia acted as the exclusive financial advisor to the seller. This competitive sales process showcases Oaklins' Glass Processing and Finishing team's expertise







On behalf of the seller:



Financial sponsor's domestic exit to a strategic acquiror

- Inservis Group, the facility management services provider has been sold to Civinity by INVL, the largest investment group in the Baltics, which is also publicly traded on Nasdaq Vilnius
- Civinity provides facility management services to public and residential buildings, covering over 740 thousand square meters of residential area and 2.4 million square meters of non-residential
- Oaklins' team in Lithuania acted as the exclusive financial advisor to the seller in this transaction, showcasing Oaklins expertise in managing exits for financial investors

Baltic league table by completed deals

Ranking			By typ	By type			By country		
2022	2021	2020	Company name	Sell-side	Buy-side	Total	Latvia	Estonia	Lithuania
1	1	1	Oaklins	6	6	12	4	3	5
2	2	4	Superia	3	3	6	3	2	1
3	-	-	Redgate Capital	3	2	5	1	1	3
3	4	-	Porta Finance	4	1	5	3	2	0
5	-	3	Prudentia	2		2	2		

Prepared by Oaklins

Source: Mergermarket. Search criteria for included deals: at least one of the targets or bidders is located in the Baltics; includes non-qualifying deals

About Oaklins

Oaklins is the global leader in M&A consultations for mid-sized enterprises. It offers the widest international resources - more than 850 M&A experts in 45 countries worldwide who operate in all financial centers of the world.

Oaklins team in the Baltics is equally powerful in advising on large-scale cross-border transactions as well as all types of transactions in the local market. The team's experience includes sales of well-known regional companies to international corporations, attraction of funding for business development, and providing strategic advice to the private and public sectors. It has been recognized as the Baltic M&A Financial Advisor of the Year 2020 and Year 2022 by Mergermarket

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