

Wolf Theiss: CEE Region catches the Eye of Big Global Funds

Central and Eastern Europe remains an attractive destination for industry and financial investors seeking takeover targets for expansion, according to experts from law firm Wolf Theiss, which co-hosted the CEE M&A Spotlight meeting in London. Thanks to its healthy fundamentals and growth prospects, the region has popped up on the radar screens of large global private equity and sovereign wealth funds as well as Asian investors.

This year's gathering, which was organized in partnership with Mergermarket on July 4, brought together representatives from leading private equity funds and emerging market investors. The panel discussion concerned acquirers' plans for CEE deals in the second half of the year as well as the main drivers and challenges for the M&A landscape in the region.

"Central and Eastern Europe continues to be perceived as a land of opportunities, despite demanding valuations and growing competition among investors," said Lech Giliciński, Partner and Head of Restructuring and Insolvency practice in the Warsaw office of Wolf Theiss. "All across the region the market is seeing a steady flow of projects from a diverse base of investors including large PE funds and sovereign wealth funds."

However, heightened geopolitical risks and rising protectionism across the world is set to weigh on investor sentiment. According to a Mergermarket survey, about 84% of respondents see Brexit and Eurozone uncertainty as one of the biggest challenges in implementing their CEE strategy while 70% believe that distressed debt opportunities in the CEE region will increase in 2019.

"Despite the general upbeat outlook for the region, some market disruptions, credit crunch and forced restructuring of companies are inevitable as global tensions boost volatility of financial markets and fuel currency fluctuations," said Giliciński.