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# Mergers and acquisitions in the context of the COVID-19 pandemic and Russian-Ukrainian war

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**Abstract**— The pressure of competition resulting from changes in the markets caused by the COVID-19 pandemic and the outbreak of war in Ukraine, forces entrepreneurs to revise the direction of business development. The difficulties associated with organic growth make some of them interested in the transactional market, where there is the possibility of concluding mergers and acquisitions. This pressure is dictated by the volatility of economic factors. Some of the investors must act decisively not only to avoid the risk of losing financial liquidity, but above all to find a strategic partner that will allow them to maintain an optimal competitive position and survive in a turbulent environment. Being aware of the risks, the owners and managerial staff must have a development plan assuming acquiring new sales markets or strengthening their position. In the context of the multiplicity of various adverse economic events in 2022, mergers and acquisitions may turn out to be the right business solution.

**Index Terms**— mergers and acquisitions, literature review, business combination, hostile takeover, COVID-19

## I. INTRODUCTION

The basic and the most important assumption of mergers and acquisitions to create economic value is that it must lead to an increase in the market value of the newly created entity. Among the various growth strategies of the company, there are those of an internal and external nature. Choosing one of them does not presuppose the rejection of the other, on the contrary, their parallel occurrence is often noted in various proportions. Internal growth is aimed at developing and increasing the company's potential, while external growth assumes cooperation between enterprises.

The COVID-19 pandemic, as well as the conflict in Ukraine started in February 2022, led to remodeling of the management structure of many enterprises, including long-term decision-making, such as those related to mergers and acquisitions. Given that the fact they are costly, multi-stage and, as already

mentioned, long-term decisions, their appropriate evaluation of profitability, in the context of current world events, gains additional importance.

The author puts forward the following thesis that in the conditions of economic uncertainty, investors are much more cautious in making decisions about subsequent mergers and acquisitions. Additionally, paying attention to the value of the transaction.

In this article, the author tries to read off the current national trends (in Poland) related to the direction of the development of the mergers and acquisitions sector in 2021 and at the beginning of 2022. Thanks to this, it will be possible to read not only the decision-making model of the managerial staff of enterprises interested in mergers and acquisitions, but also the answer to the following research question:

Q1. Why do enterprises, despite the risk of uncertainty caused by the events of recent years, make decisions on mergers and acquisitions, and under what type of circumstances?

Q2. Which sector is the most involved in mergers and acquisitions in 2021 and 2022 in Poland?

For this purpose, the author first conducts a theoretical review of the literature on the subject and linguistic conditions resulting from the differences in Polish and English regarding the terminology of mergers and acquisitions, analysis of motives (including the synergy) and techniques of defense against hostile takeover, which as a result of economic uncertainty, wrong decisions problems of many industries, it is gaining additional importance, as well as the analysis of trends and directions of changes in the mergers and acquisitions market in 2021 and early 2022. Then, the Author evaluates and interprets reports from recognized rating and research agencies in the M&A sector in Poland.



## II. SOURCE LITERATURE REVIEW AND LANGUAGE CONSIDERATIONS OF M&A

Although the processes of mergers and acquisitions are known all over the world, their main assumptions, pedigree and development fall in the English-speaking countries, therefore most studies on this subject have been written in this language. The most common and global term for mergers and acquisitions in the literature is abbreviated as "M&A" (mergers and acquisitions). In addition to these two phrases, a wide range of vocabulary lists related terms such as "buyout", "consolidation", and even "takeover". Table 1 presents a comparison of Polish and English nomenclature in terms of mergers and acquisitions, as well as related terms.

TABLE 1. COMPARISON OF THE NAMES OF MERGERS AND ACQUISITIONS IN POLISH AND ENGLISH

Polish	English
Fuzja	Merger
Przejęcie	Acquisition but also Takeover or Buyout
Konsolidacja	Consolidation
Kooperacja	Business combination

Source: author own studies.

As in the case of other phrases derived from a foreign language, some terminological inaccuracies also appear in the case of mergers and acquisitions. Therefore, while the concept of merger in the Polish language has been present for several dozen years, other terms may undoubtedly make some difficulties, e.g. between acquisition and takeover (Toborek-Mazur, 2015).

There are two basic ways of merging companies, i.e. acquisition and merger (Toborek-Mazur, Wójcik-Jurkiewicz, 2022). Both of these methods are fundamentally different from each other, and their use results from specific economic conditions, as well as stakeholders' expectations as to the concept of the development of combined enterprises (Toborek-Mazur, 2010, p. 38).

A merger is a situation when two independent enterprises, on the basis of an agreement to be concluded, merge in order to create a new economic entity (DePhamphilis, 2017, p. 18). Due to such a merger, economic entities lose their separateness, but this action is voluntary on both sides, not forced by one of the parties or by any other external factors. According to the dictionary of the Polish language, a merger is "a merger, consolidation, unification (for example, of two so far independent enterprises, in order to achieve a better position on the market and better income)" (Arnold, p. 126). As the definition implies, this process, thanks to the joint work of the companies, fosters economic development and helps to achieve the goals and activities set (Toborek-Mazur, Wójcik-Jurkiewicz, 2022).

By analyzing the terminological scope of a merger, it should be noted that its original meaning is not related to the concentration of capital. For it is a military term referring to a military long flintlock handgun that was invented in the middle of the 17th century in France and then spread to other countries. However, in the dictionary of the Polish language, the word "fuzja" [comes from latin "fusio" which means "melting"], or

a combination of two or more objects. In economic terms, it is a voluntary merger of companies or an event during which at least two units merge and create a new legal entity. This method of linking can be considered voluntary. The result of this process is the reduction of the number of companies. This applies, of course, to the event in which at least one of the companies "dies" as a result of the merger (Toborek-Mazur, Partacz, 2022).

Therefore, it can be implemented in two ways. The first is based on the assumption that the merging entities will lose their legal personality to the newly created entity, while transferring the assets of all participating enterprises to it (the so-called consolidation). The second assumes that one of two (generally equal) entities is created and takes place by transferring all the assets of the acquired company to the acquiring company (the so-called incorporation) (Toborek-Mazur, Partacz, 2022).

A takeover is a process of taking control over an enterprise by another enterprise. This action can take place in many ways, including by way of buyout of shares of one of the parties, purchase of property, lease, purchase of all or selected assets of the enterprise, joint project or by privatization. The literature on the subject distinguishes two forms of takeovers - hostile and friendly. A hostile takeover takes place against the will or consent of company's shareholders. A hostile takeover may take place as a surprise - without the prior notification of company B by company A. A friendly takeover is the complete opposite - most often it occurs with the agreement of both parties (Puzio, p. 79).

The source literature usually distinguishes four basic types of connections (Świetla, Toborek-Mazur, 2020). The first one is horizontal (horizontal) and consists in the merger of companies from the same industry. An example of such action is the recent merger of Lotos and Orlen. The second option is a concentric connection that unites enterprises for which activities are carried out in terms of, for example, geographic or market terms. The benefit of this is as follows - diversification, i.e. expansion of activities in various respects - mainly in terms of the range of products, although it may also refer to the expansion of the territory of operation. The third type of connection is a vertical connection. It consists in the fact that entities dealing with the same product, but at different stages of its creation, are united. The purpose of such an amalgamation is (most often) the desire to increase control over the component stages of business activity. It is the most risky and dangerous combination, but it also brings the greatest benefits. It is mainly used when the economic entity wants to enter a completely new market and does not know too much how. It connects individuals from completely different branches of economic activity. A conglomerate merger, i.e. one that leads to the formation of a conglomerate. The most important factor in the conglomerate is the profitability of the investment, so to put it simply - profit.

## III. PREMISES FOR MERGERS AND ACQUISITIONS

Enterprises are guided by specific motives for mergers and acquisitions. Their classification is not constant and results

mainly from the conditions of specific enterprises that are interested in this form of external growth (Ambukita, 2014). The motives for mergers and acquisitions can be divided into 4 most important groups: technical and administrative motives, market motives, financial motives and managerial motives.

The group of technical motives focuses primarily on improving the way the company operates and applying the synergy. The synergy is based on the assumption that through the cooperation of enterprises better results can be achieved than split work (Toborek-Mazur, Wójcik-Jurkiewicz, 2022). Thanks to the consolidation of cooperation, not only higher efficiency is achieved, but also cost reduction. As part of market motives, enterprises strive to gain a competitive advantage thanks to the possibility of entering new markets where the enterprise has not operated so far. It is possible thanks to, among others, intellectual concentration and industrial property, e.g. availability of licenses, patents or technological solutions (Helin, Zorde, Bernaziuk, Kowalski, 2022, p. 20). The idea behind market motives is the desire to gain an advantage over competitors, dictated by the need to acquire as many regular customers as possible. Financial motives are aimed at providing owners with financial benefits by maximizing the value of the company and using evaluation, verification of financial costs, which is conducive to more effective progress of the company (Korpus, 2015). The managerial motives are supplemented with the postulate of increasing the company's share in the economy as a result of the reorganization of the organizational structure of the merging companies, gaining recognition by the competitive environment and implementing mechanisms limiting the potential risk of an unfriendly takeover (Frąckowiak 2009, p. 56).

Before choosing the purpose of the unit, it should be carefully considered (Korpus, 2014, p. 29). The field of business management is constantly evolving and only well-prepared companies are able to survive on the market. One of the basic tools that allows you to determine the path to success of an individual is the 4F concept (first, focus, flexibility and fast).

Summing up, it can be stated that the effects of concentration can be varied and often difficult to predict becoming a key indicators to the entire merger and acquisition process.

Table 2 presents an overview of the most important benefits and threats related to mergers and acquisitions.

TABLE 2. OVERVIEW OF BENEFITS AND THREATS IN M&A

Benefits	Threats
New technologies	Obsolete technologies
New products	Obsolete products
New markets	Low profitability
Lower costs	Poor financial liquidity
Expansion with reduced capital	A need for high investments
Reduction of competition	Strong competition
Strengthening of strategic sources	Limited production possibilities
Tax benefits	Lack of experience of management team
Reaching operational synergy	Liabilities

Source: author own studies.

#### IV. VALUE CREATION - SYNERGY

The motives for mergers and acquisitions can also be presented based on the criterion of how the value of the newly established entity is created, taking into account the following factors, i.e. increasing revenues, reducing operating and financial costs, as well as reducing the tax amount (Toborek-Mazur, Partacz, 2022a). At the center of the problem related to value creation in mergers and acquisitions is the achievement of synergy. Synergy means that new company achieves results as: higher revenues, lower operating costs, reduced financial costs, and may also record tax savings (Toborek-Mazur, Partacz, 2022b).

Increasing revenues may be caused by taking many changes and new actions in the scope of the current management. One example is modifying the marketing department so that it brings better results. This is due to the acquisition of knowledge and raising the level of work by observing the marketing department of the other company participating in this connection. Through collaboration, a weaker department can match a more successful department in the future. The next steps that increase revenues may be the resignation of the manager whose work does not bring the expected results. It may also be the improvement of distribution, storage, transport or commercial networks by selecting the optimal solution based on the previous experience of the entities participating in the merger. Another way to achieve this is to create a product that has the features of two or more existing products, for example by creating a department of a bank that offers both insurance and an investment fund.

A reduction of operating costs may be a result of, inter alia, the fact that the new unit abandons cells that occur twice, we are talking about such departments as: accounting, IT department, human resources department or distribution department. Economies of scale also contribute to reducing costs (Partacz, 2022). This means that the larger the size of the enterprise, the lower the unit cost is because the total cost is spread over a larger number of units produced. Another reason is the reorganization of the method of resource exploitation and, as in the case of an increase in revenues, the dismissal of an employee whose employment is not profitable for the company.

Financial costs will decrease because, as a result of taking out a loan for a higher amount, you can count on lower interest compared to its amount, and the cost of issuing shares and bonds decreases with the increase in their number. The size of the enterprise is also important, the larger the company and its position on the market, the greater the chance it has to negotiate a cheaper loan than in the case of a small enterprise, and the same amount of receivable (Olszewski, 2013, p. 92).

A reduction in the amount of tax is due to the fact that companies whose income tax rates are completely different are merged. For example, one of the entities taking part in the transaction generates a loss, so the tax liability is zero, and the other entity is obliged to pay a high amount of income tax.

## V. DEFENSE METHODS AGAINST HOSTILE TAKEOVER

Takeovers can be both friendly and hostile. However, while a friendly takeover is the result of cooperation between entities (negotiating, setting the terms of contracts and taking over, developing a joint development and merger strategy), hostile takeover most often takes place with the exception of the will of the taken over. A hostile takeover is where the acquiring company applies for the acquisition of the shares of the acquired company. This situation applies to companies listed on the stock exchange in which the shareholders have a controlling stake, but the company is actively managed by the management board with smaller shares. If the shareholders decide that it will be more advantageous for them to resell the shares, they decide to do so despite the disapproval of the company's management. Making such a decision causes natural defensive reactions due to the fear of losing a job or the current position in the company, or because of disagreement with the terms of the offer submitted by a competitor. Depending on the stage at which the hostile takeover is taking place, we can divide the techniques of defense against it into: defense measures applied at the pre-takeover stage or defense measures applied at the take-over stage (Szczepankowski, 2000, p. 56).

The first group of techniques includes defense against the enemy called shark repellents. It means introducing such changes in the status of the company to discourage the enemy from buying back and make the process as difficult as possible, taking into account the personal rights of the shareholder. These powers are related to the right to appoint and dismiss members of the management board and the supervisory board. It is a privilege that allows you to control the composition of the management. Another way is to give a particular shareholder or shareholders a double tier. This means that they have the privilege of having more votes at the general meeting of shareholders, priority as to dividends and a share in the assets in the event of dissolution of the company. The opposite strategy is to limit the number of votes to a shareholder whose percentage share is higher than the established one. For example, if the set threshold is 15%, then each shareholder may vote using a maximum of 15% of all votes, even if he has more of them. Another defense against unwanted acquisitions is the statutory restriction on the change of ownership of shares. It is manifested by the fact that a given shareholder must take into account the opinion of other shareholders as regards his own shares. This means that he must obtain approval before he wants to sell the shares of this company. Also, the person to whom the shares will be relinquished must be approved by the board of directors.

The next defense mechanism used in M&A contracts is the golden parachute, i.e. establishing compensation for specific employees. It will have to be paid by the new shareholder in case he wants to dismiss their job. In the event of the need to pay a huge severance pay, it may turn out that these costs will exceed the revenues that the hostile shareholder will receive from this transaction, which means that it is not profitable for him.

In addition to statutory changes, the defense also includes finding an external buyer (white knight) who, with the support

of the management board, will buy shares of a company that is at risk of hostile takeover on mutually beneficial terms. Occurs when the opportunity for hostile takeover has not yet been initiated. The undoubted advantage for the buyer is the lower share price (relative to the market price).

When the hostile takeover attempt has already been made, the company uses various methods of defense, one of which is the poison pill method. It is used if a hostile buyer has too much share in the company's capital, the existing shareholder is given the option to purchase the shares at a discounted price. We can divide this method into two types. The first is the purchase of newly issued shares in the existing company, and the second type is the possibility of obtaining shares in the company that is to be created as a result of this merger. Lowering the value of the company by selling off high-value assets and incurring liabilities makes it less attractive to potential buyers, but this solution may also have a negative impact on the interests of current shareholders, as they hold a smaller percentage of all shares.

A similar practice is the "vitamin pill" which is associated with the issue of shares with the right to pay a high dividend, in the event of failure to meet predetermined assumptions. For example, it is determined what the profit per share should be in a specific period of time. The trap of this technique is that shareholders are encouraged by the money that belongs to them.

Another tactic is the so-called "green blackmail", it is a desire to redeem from the shares lost as a result of a hostile takeover. They are offered a price much higher than the market price, in order to convince the enemy to give them back. If the parties agree to this transaction, it is often also associated with the signing of a contract that will guarantee the attacked company that there will be no negative action by the acquiring company within a specified period.

There is also a more aggressive method called "pack-man", consisting in the response of attacked partners with a counteroffer. The buyback defense is trying to buy enemy shares. It is a method that does not appear to be complicated but requires a lot of knowledge on the part of the management board, because these actions can turn into a fight between companies, where the winner will be the one who takes over such a number of shares that it has a decisive vote and finishes the further buyout.

Another technique is to discourage the enemy by divesting your most important assets, the so-called "crown jewels". Goodwill is lowered even at the cost of selling these assets at a significantly discounted price, resulting in a loss. A similar practice is to introduce unfavorable changes in liabilities, i.e., for example, incurring liabilities whose only purpose is to scare off an enemy buyer.

## VI. ANALYSIS OF THE MERGERS AND ACQUISITIONS MARKET IN 2020-2021 AND Q1 AND Q2 2022 - THE COVID 19 PANDEMIC AND THE WAR IN UKRAINE

The ongoing global pandemic, as well as the recent events in Ukraine are significantly affecting the global economy, undermining existing systems of market forces in many

respects. One of them is the impact of these events on the market of mergers and acquisitions. The changes are visible in particular in the most sensitive and developing sectors of the economy, in particular those related to technology, IT, security and energy (Toborek-Mazur, Partacz, Surówka, 2022). The author started the analysis with a review of the number and value of mergers and acquisitions in 2020, 2021 and in the first half of 2022 in the context of current world events.

Following the analysis of changes in these markets, it is worth pointing out that only in the cybersecurity sector in 2021, the number of mergers and acquisitions was record-breaking. The most important summary of the number and value of mergers and acquisitions in 2021 and in the first half of 2022 is presented in Table 3.

TABLE 3. MERGERS AND ACQUISITIONS MARKET IN 2021 AND AT THE BEGINNING OF 2022 IN POLAND

Year/Quarter	Number of contracts		Value of contracts (PLN)	
	2021	2022	2021	2022
Q1	76	86	11,7 bln	2,54 bln
Q2	82	89	1,86 bln	1,775 bln
Q3	68	N/A	7 bln	N/A
Q4	102	N/A	N/A	N/A

Source: author own studies based on Fordata and Navigator Capital M&A Reports 2021 Q1 and Q2 2022.

As shown in the Table 3, in the individual quarters of 2021, the number of mergers and acquisitions increased. This is the effect of both the positive economic trend after the first waves of the COVID-19 pandemic (stabilization), as well as the increased predictability of economic conditions by investors (Toborek-Mazur, 2022). This is especially true at the end of 2021, when 102 transactions were made. For comparison, in the same period of 2020, only 63 transactions were carried out (the increase is therefore 39 transactions). Table 4 presents the number of M&A transactions in individual quarters in 2020-2022 in Poland.

TABLE 4. MERGERS AND ACQUISITIONS MARKET IN 2021 AND AT THE BEGINNING OF 2022 IN POLAND

	2020	2021	2022
	Number of contracts		
Q1	55	76	86
Q2	52	82	89
Q3	74	68	N/A
Q4	63	102	N/A

Source: author own studies based on Fordata and Navigator Capital M&A Reports 2020, 2021, Q1 and Q2 2022.

The next table 5 presents the changes that occurred in the mergers and acquisitions during the period considered.

TABLE 5. MERGERS AND ACQUISITIONS MARKET IN 2021 AND AT THE BEGINNING OF 2022 IN POLAND

	2020	2021	Change in 2021 compared to 2020	2022	Change in 2022 compared to 2021
	Number of contracts				
Q1	55	76	21	86	10
Q2	52	82	30	89	7
Q3	74	68	-6	N/A	N/A
Q4	63	102	39	N/A	N/A

Source: author own studies based on Fordata and Navigator Capital M&A Reports 2020, 2021, Q1 and Q2 2022.

In the first two quarters of 2022, the trend in the number of mergers and acquisitions continued, although it was lower than that recorded in the fourth quarter of 2021. Nevertheless, comparing the first two quarters of 2021 and 2022, it is clear that in 2022 this trend continued. Only in the three quarters of 2021 there were 151 transactions (i.e. 94 more than in the corresponding period of 2020).

By analyzing the first quarters of 2021 and 2022, the overall number of transactions increased by 10. What is equally interesting, in Q2 2022, despite the ongoing war in Ukraine and otherwise legitimate concerns of investors, the number of mergers and acquisitions increased (3 transactions, compared to the previous quarter).

It can be assumed that since the value of these transactions decreased and their number increased, investors decided to make smaller transactions, potentially with lower financial risk. A dominant position among the entities acquired in Q2 2022 was the TMT sector (technology, media, telecommunications) - 22%, other services - 11% and industry - 10% (Fordata, 2022). It is a result of a influence of both the ongoing global COVID-19 pandemic, which has contributed to the increase in the importance of digital services in the modern world and the intensification of many technological processes, as well as war in Ukraine. Table 6 presents a summary of changes in the value of mergers and acquisitions in 2020, 2021 and at the beginning of 2022.

TABLE 6. VALUE OF MERGERS AND ACQUISITIONS IN THE YEARS 2020-2021 AND AT THE BEGINNING OF 2022 IN POLAND

	2020	2021	Change in 2021 compared to 2020	2022	Change in 2022 compared to 2021
	Value of contracts (PLN)				
Q1	1,83 bln	11,7 bln	9,87 bln	2,54 bln	-9,16 bln
Q2	2,8 bln	1,86 bln	-0,94 bln	1,775 bln	-0,085 bln
Q3	4,84 bln	7 bln	2,16 bln	N/A	N/A
Q4	9,6 bln	N/A	N/A	N/A	N/A

Source: author own studies based on Fordata and Navigator Capital M&A Reports 2020, 2021, Q1 and Q2 2022.

By analyzing Table 6, it is worth paying attention to the fact that the value of the highest transaction in the analyzed period was recorded in Q1 2021 and amounted to PLN 11.7 billion. At the same time, it was the largest increase compared to the same period in Q1 2020 by PLN 9.87 billion. In subsequent periods, in particular at the beginning of 2022, a decrease in the overall value of mergers and acquisitions can be observed, successively in the 1st quarter of 2022 by PLN 9.16 billion, and in the next by PLN 0.085 billion, compared to the corresponding period of the previous year. As already mentioned in the second quarter of 2022, despite the ongoing war in Ukraine, the number of mergers and acquisitions increased by 3 transactions. Although their value has definitely dropped from PLN 2.54 billion to PLN 1.77 billion. Which confirms the thesis that currently investors are cautious in making decisions about carrying out these transactions. Additionally, they are more likely to make decisions on smaller transactions (Świetla, Toborek-Mazur, 2021).

Among the most important transactions in recent months, the

sale with the disclosed price of 50% of shares in FiberForce (related to the supply of fiber optics to private households) by Play Communications to Infravia Capital Partners for the amount of approximately PLN 1.8 billion should be highlighted. This investment is a consequence of last year's purchase of UPC Polska for the amount of PLN 7 billion, as well as an attempt to strengthen the company in the field of network infrastructure.

The sectoral approach to mergers and acquisitions in the first quarter of 2022, according to Fordata and Navigator Capital estimates, indicates that TMT group entities (technology, media, telecommunications) have the largest share among the acquired entities (technology, media, telecommunications) - approximately 28%, which only confirms the trend in which IT and telecommunications companies are the most important group in the M&A sector. The next places in the ranking are, respectively, entities from the energy sector (15%), industry (10%) and biotechnology and health protection (9%), the rest are other entities located in other sectors of the economy. Another confirmation of the significance of the TMT sector on

the M&A market is the fact that the purchasing party in mergers and acquisitions in Q1 2022 were companies from this sector - approximately 20% (Stockwatch, 2022). It is worth mentioning here about transactions such as the takeover of Emitel by Cordinat Digital Infrastructure, which has in its portfolio about 500 mobile network masts and TV signal transmitters. The estimated value of this transaction was 1.93 billion PLN.

A similar trend is also noticeable in the second quarter of 2022. Among the acquired entities, the TMT sector has the largest share - 22%. The remaining places are services (11%), industry (10%), biotechnology and health care (9%).

A buying party to the greatest extent, as in the first quarter of 2022, was the TMT sector - 16%, while only 6% was the selling party. This proves the thesis that this sector takes an active part in acquiring new entities on the market and is not necessarily interested in selling its own assets. Figure 1 presents a list of sectors participating in mergers and acquisitions in the first quarter of 2022.

FIGURE 1. PERCENTAGE SHARE OF SECTORS IN MERGERS AND ACQUISITIONS IN Q1 AND Q2 2022 IN POLAND



Source: author own studies based on Fordata and Navigator Capital Q1 and Q2 2022.

It is worth noting that the war in Ukraine undoubtedly influenced managerial decisions regarding the M&A market in 2022 (and most likely in the following years as well). Ukraine is one of the largest suppliers of many agricultural products, incl. maize, barley or wheat. Limitation of production caused by hostilities significantly hinders the development of industry and agriculture, it also affects world food supplies, and thus also their prices. Even companies not related to the food market and interested in mergers and acquisitions must take into account the general increase in prices caused by inflation in many markets in Europe and in the world, which will adversely affect the final valuation of mergers and acquisitions and induce some enterprises to investment prudence.

## VII. CONCLUSIONS

Mergers and acquisitions are forms of external enterprise development. They make it possible to achieve the assumed

investment goals in a specific time perspective, such as, for example, diversification of the product range, increasing market share or capital concentration. However, for this to be possible, these transactions must be carried out responsibly, taking into account current market developments.

There is no doubt that the events related to the COVID-19 pandemic, war in Ukraine, unstable markets and high inflation in many countries adversely affect the valuation of enterprises and limit the aspirations of many investors. However, some enterprises, mainly from the TMT sector, decide on mergers and acquisitions. This trend has been visible since the beginning of the pandemic, when the importance of digital services increased due to reduced mobility and sanitary restrictions. It is no different at the beginning of 2022. The high-tech sector is a sector where there are still large operational reserves to encourage investment, and rapid technical progress only intensifies this progress (Q1). The TMT sector's insensitivity to changes resulting from the COVID-19 pandemic and the war in

Ukraine results from the growing market expectations. The world is currently focused on digital growth and it seems that this trend will continue in the coming months. The TMT market is a dynamically developing market, with great financial possibilities, and not necessarily directly dependent on breakdowns in the supply chain. The significance of these premises is also confirmed by data and calculations. The TMT sector (Q2) has the largest share in mergers and acquisitions at the beginning of 2022.

Summing up, it is worth emphasizing that in difficult times of economic uncertainty, enterprises make decisions about making further connections in order to ensure their efficient functioning in the new reality. The approach should be considered appropriate and prospective as it reduces the potential operational risk. The ongoing war and the resulting effects, inter alia, related to limiting the supply of coal, crude oil, etc., additionally force entities to constantly react to new threats. This is a scale incomparable to any of the previously experienced economic crises.

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- Communication and Image Creations
- Safety in the Cyberspace

### **Internal Security**

- Administration and Management in Security
- Security and Public Order
- Security and Development in Euro-region
- Security of Information and Information Systems
- Security in Business
- Criminology and Investigative Studies
- Criminology and Forensics
- Protection of People and Property
- Public Order Agencies

### **Law**

- this program gives strong legal foundations to undertake further professional training for judges, prosecutors, attorneys, notaries, bailiffs.

### **Administration**

- Fiscal Administration
- Local Government Administration

### **Logistics**

- this program gives good preparation for work in logistics companies as well as in other economic and administrative units.

### **Information Technology**

- Databases and Net Systems
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- IT Services in Public Administration Units

### **Postgraduate courses**

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- Fiscal Administration
- Law and management in health service