

## PwC România study: Romanian M&A market increased by 4% year-on-year in 2019, up to EUR 5.2 billion



Following a decline in 2018, the mergers and acquisitions market in Romania grew by 4% to a total value of EUR 5.2 billion in 2019, according to a study by the PwC Romania and D&B David and Baias integrated transactions team.

The report was presented today at “*The M&A Market in Romania: Recent years' developments and trends in 2020*” conference.

Transactions decreased by 9.6% to EUR 5 billion in 2018.

In 2019, 215 transactions were completed, 26% more than in 2018, with an average value of EUR 24 million. Of those transactions, 14 were valued at over EUR 100 million each, with 16 valued at between EUR 40 and 100 million.

“The M&A market remains interesting and at a high level, both in value and in terms of number of transactions. Although it still has to recover to reach the record of EUR 5.8 billion in 2007, we are optimistic about the development prospects, because several sectors are evolving towards consolidation, such as the medical, banking and IT&C sectors”, said **Dinu Bumbacea**, *Partner and Advisory Leader PwC Romania*.

According to the report, the most dynamic sectors in 2019 were IT&C, real estate and pharmaceutical / medical services. By 2020, energy is expected to be one of the most dynamic sectors, with two major transactions expected: the sale of Czech group CEZ assets and those of the Italian company Enel. The Healthcare & Pharma segment will also continue to consolidate, with large players searching for smaller and niche players.

“We estimate that the technology sector is going to become increasingly attractive in 2020, playing a decisive role in buying decisions. Romanian companies are at the point of strategic decisions regarding the transformation of traditional business models by adopting innovative technologies. Thus, technology companies become a favorite acquisition target for players from all sectors of activity. Romanian companies are at the moment of strategic decisions regarding the transformation of traditional business models by adopting innovative technologies”, **Dinu Bumbacea** added.

The PwC Romanian M&A Outlook report was based on public information available regarding the transactions signed and / or closed in 2019. Transactions that, for various reasons, were not publicly announced as closed in

2019 and those signed in 2018 but not closed in 2019 are included in the 2019 study. To estimate the values not publicly available, we used indicative evaluation methods based on comparables, considering the influence of the business model and the respective companies' industries.

The PwC Romania and D&B David and Baias integrated transactions team is coordinated by Dinu Bumbacea, Partner PwC Romania, and includes Cornelia Bumbacea, Partner PwC Romania, Anda Rojanschi, Partner D&B David and Baias, Andreea Mitirița, Partner PwC Romania, George Ureche, PwC Romania Director, Dragoș Atanasiu, PwC Romania Director, Andreea Bistriceanu, PwC Romania Senior Manager, and another 50 transaction professionals.

In 2019, the team was involved in a significant number of transactions, including the sale of Premiere and OncoCard hospitals, the sale of Optiplaza to Innova, the purchase of RTC by Altex, Fan Courier and SLS Cargo transaction and Eximbank with Banca Româneasca transaction.