

## Romania's M&A market shrinks 26 pct in Q1

**The volume of Romania's mergers and acquisitions market shrank 26 percent in Q1 2021 compared to the year-ago period, with only 42 transactions announced as to 53 in the same period last year, shows a report by PwC Romania.**

However, at over 600 million euros, the value of M&A deals concluded over January - March 2021 surpassed the amount registered in the same period last year.

According to a survey by the PwC Romania M&A Department, strategic investors accounted for most transactions carried out in Q1 2021 - the number of such deals being similar to the year-ago period - while the number of transactions performed by financial investors was half the number seen in the same period of 2020; analysts expect the appetite and activity of investment funds to grow in the next period.

According to PwC, the most active sectors in Q1 2021 were IT&C, real estate and private health services, where the ongoing pandemic had a major impact and the consolidation drive was high. Also, against the background of the newly rolled out renewable energy support schemes, increasingly more projects are announced in this sector, attracting a growing interest from investors.

A major transaction in the sector of private health services was the takeover of the Romanian and regional operations of drug distributor Alliance Healthcare Businesses by AmerisourceBergen Corp in a deal worth 5.5 billion euros globally, the Romanian operations included.

Also, MedLife group continued its strategy of expanding on the local market of private health services by the acquisition of a 60 percent majority stake in the Medica Sibiu clinic.

Important transactions announced on the IT&C market were the takeover of retail payment and banking automation solutions provider Ropeco by Romanian Business Consult, the takeover of Telligence Technologies by Orion Innovation, or the takeover of Gemini Solutions by ThoughtWorks.

In the renewable energy sector, one of the most important transactions was the takeover of a project portfolio of over 1,000 MW of green energy by Enel Green Power Romania from the developer of renewable production parks Monsson Group.

In the first week of the year, the banking sector saw the takeover of Credit Agricole's Romanian banking operations by Vista Bank.

In 2020, the local mergers and acquisitions market shrank 6 percent from 2019 amid the uncertainties brought by the COVID-19 pandemic, shows the PwC M&A Outlook report. However, given the context, the market value remained high, at 4.9 billion euros compared to 5.2 billion euros in 2019.