

Local M&A market bounces back to pre-pandemic level in 2022 (consultants)

The mergers and acquisitions market in Romania, signed and concluded trades, reached 5.4 billion euros in 2022, surpassing the pre-pandemic level of 5.2 billion euros of 2019, according to a consultancy company.

The development was supported by a transaction of over one billion euros in the Neptun Deep deposit, and when the transactions announced last year but still pending are added the value reaches 6.6 billion euros, says PwC.

"2022 was a very good year for the M&A market in Romania, with important transactions that reshape and take the development of certain sectors to a new level. The year 2023 is shaping up to be just as interesting: there is sufficient liquidity, there are investors interested in Romania and there are many transactions to be completed in important areas such as energy, real estate, health and telecommunications," according to Dinu Bumbacea, PwC Romania country managing partner.

In 2023, the value of concluded and announced transactions could reach 8 billion euros, given that two transactions in energy of over one billion euro have already been reported.

"There is a gap between the value of the transactions actually concluded and those announced, some of which will be completed this year. In 2022 the M&A market finally returned to the level before the COVID-19 pandemic and it was the year when we can say that Romania became a market of mega transactions, because we have three consecutive years of transactions over one billion euros (CEZ in 2020, UiPath in 2021, and Neptun Deep in 2022). We are optimistic about 2023, as there are many transactions expected to be concluded this year. In our opinion, this theoretical target of 8 billion euros is achievable only if, in addition to the energy transaction announced today, a new mega transaction is also unveiled," according to George Ureche, PwC Romania M&A director and leader.

The Romanian market is influenced by very large transactions, which for the local sector mean over 100 million euros, because transactions over a billion euros are few and far between. The average value of a transaction in 2022 was 21 million euros, well above the level of 2021, with the real estate sector having recorded a significant increase in the average value of transactions.

The most dynamic sectors were IT&C, industrial products and services, the real estate sector, health and pharmacy, energy and agriculture.

Corporate investors still hold a significant share in the buyer segment on the local market, being active in all sectors.

IT&C is seeing an increasing number of buy-side investment funds, as the high returns of the sector have led them to acquire and consolidate.

At the opposite end, in agriculture and in the consumer goods sector, there are mainly transactions made by strategic buy-side investors.

PwC is a network of firms in 152 countries with nearly 328,000 people delivering assurance, advisory and tax services.