

Romania's M&A market reports 132 transactions in H1 2023

The Romanian mergers and acquisitions (M&A) market reported 132 transactions in the first half of 2023, of a total estimated value of USD 3.7 billion, according to an analysis by EY Romania.

The volume of transactions is a slight increase over the 131 transactions in H1 2022, but down 11% in terms of total value (USD 4.2 billion). In addition, M&A activity levels this semester show a recovery from the slower pace of H2 2022, with the number of transactions reported in H1 2023 being an absolute record for Romania.

Strategic investors remained the dominant players in the local M&A market, accounting for 87% of announced deals in H1 2023. From a cross-border perspective, domestic deals accounted for 39% of the total, with 70 deals recorded in H1 2023, while the number of transactions made by inbound investors reached 52 transactions.

According to the analysis, there is still an increase in domestic M&A investment compared to inbound levels, a trend that has remained in place since the lockdowns of early 2020.

"Similar to the same period of last year, H1 2023 marked yet another megatransaction through the acquisition of Enel Romania by the PPC Group, as well as several other significant transactions from a value perspective. This makes us optimistic, but cautious, about the developments in the local M&A market for the rest of the year, given that we continue to observe a very positive dynamic in two key sectors - technology and energy," according to **Iulia Bratu**, *head of lead advisory, EY Romania*.

The most active sectors in terms of transaction volume were real estate, hospitality & construction (27 transactions), technology (22) and consumer products & retail (21). In the first half of 2023, five transactions were reported of a disclosed value of over USD 100 million, the same as in the similar period the year before.

According to the analysis, the three largest H1 2023 transactions are: the sale of the operations of the Italian group Enel Group in Romania to Public Power Corporation, the main electricity company of Greece, for approximately USD 1.4 billion; the acquisition of the local bakery Vel Pitar by Grupo Bimbo, based in Mexico, for an estimated USD 210 million dollars; the sale of Fondul Proprietatea's minority stake in Enel Romania to Public Power Corporation for USD 140 million dollars.