

Romanian Minister of Economy and Energy Virgil Popescu said that the Government has received a letter of intent from the European Bank for Reconstruction and Development (EBRD), which is interested in acquiring a stake in, soon to be listed, electricity producer Hidroelectrica.

Minister Popescu explained that the EBRD would be interested in taking over a 5-10 % stake in the company as part of the pre-listing process, which would, according to him, raise the value of the company. However, he did not detail on whether the “pre-listing” would be a competitive process to which more investors would be invited.

He stressed that Hidroelectrica is “a jewel” among state-owned companies, because it produces green energy, and bringing it together with the EBRD before the initial public offering (IPO) would be beneficial. Asked what Hidroelectrica will do with the money raised by selling a 20 % stake in the planned IPO, which is around 200 million euros according to estimates, minister Popescu said that the company will have a very ambitious investment plan, which would include investments in wind and solar power.

Last month, State Secretary at the Ministry of Economy and Energy Nicolae Havrilet said that the Government will pursue the listing of 10 % of the shares of Hidroelectrica at the stock exchange in 2020. He explained that the aim is to list a smaller percentage of Hidroelectrica, of about 10 %, and in the future, the listed share could be increased, while some other companies from the state’s energy portfolio could be listed as well. At the moment, there are no concrete plans for these other packages. Last year, Hidroelectrica’s CEO Bogdan Badea said that the company will list its shares on the Bucharest Stock Exchange through an initial public offering in September 2020. Double listing is also in consideration, but so far it is not certain on which stock exchanges, adding that London is primarily option, besides Bucharest.