

Romania's Fondul Proprietatea (FP) investment fund said on Friday it plans to launch an initial public offering (IPO) for a 15% stake in hydropower-owned hydropower company, majority state-owned, seeking to raise 10.4 billion levs (2.1 billion euros). ).

The planned IPO of Hidroelectrica is estimated as the largest initial public offering in the country's history, the Proprietate Fund (FP) said in a press release on Thursday.

The double listing of Hidroelectrica should be realized on the Bucharest Stock Exchange as the main market and the corresponding international market, such as the London Stock Exchange, the investment fund added.

According to the fund, double listing of Hidroelectrica is of key importance for listing 15% of the company's shares, and without double listing the main risk is potentially reduced volume of transactions, with a negative impact on the company's value and further movement of share prices after listing.

Furthermore, a successful double listing will help the government meet the requirement of the National Resilience and Recovery Plan - to list at least 15% of Hidroelectrica's shares by June 30, 2023.

"We see Hidroelectrica's double listing as the culmination of all our efforts so far and the opportunity to put Romania on the global radar of all institutional investors, and access to trade in the relevant international secondary market will further confirm the company's adherence to the strictest international corporate governance standards," said Marius Dan, Deputy General Manager Franklin Templeton Bucharest, portfolio manager of the Proprietate Fund.

Hidroelectrica announced on Thursday that the Romanian government has approved a plan to launch an IPO for up to 19.94% of shares in the company held by FP.

Hidroelectrica came out of bankruptcy in April 2017, which set the stage for its listing on the Bucharest Stock Exchange.

In May 2020, Hidroelectrica announced that it had selected STJ Advisors Group Limited as its capital advisor and Dentons Europe SPARL as its legal advisor for the planned IPO.

Hydroelectricity is majority owned by the Romanian state, which holds 80.06% of the shares, while the Proprietate Fund has a 19.94% stake. The company has 209 hydropower plants in its portfolio with a total installed capacity of 6,482 MW. It also operates a 108 MW wind farm in Constanta County.

Source: seenews.com