

Romanian state holds 80 % stake in electricity producer Hidroelectrica, while private investment fund Fondul Proprietatea owns the remaining 20 %. Recently, FP valued its stake in the company at around 1 billion euros.

The most-valuable state-owned company, Hidroelectrica expects to launch the initial public offering (IPO) of its shares on the Bucharest Stock Exchange no sooner than the end of 2021, said CEO of Hidroelectrica Bogdan Badea.

Badea said that Hidroelectrica's IPO would be a milestone for the Romanian capital market and the launch is expected next spring. He added that the company's performances may look impressive, but it needs more capital in order to become a player on the regional electricity market. Currently, the listing of the state's shares in Hidroelectrica is blocked by legislation passed by the Social Democrat Government, which prohibits the sale of state-owned companies for a period of two years. However, the current Government has already promised to repeal the troublesome legislation as soon as possible.

Hidroelectrica's IPO has been expected for many years. In April 2012, a consortium made of BRD, Citigroup, Societe Generale and Intercapital Invest was selected to manage the sale of a 10 % stake in Hidroelectrica, but the company went into insolvency a few months later. After Hidroelectrica completed its restructuring process, in January 2014, the Government carried out another selection process and chose Raiffeisen Bank and Morgan Stanley to manage the sale of a 15 % stake in Hidroelectrica through IPO. However, this sale did not take place. Last May, Hidroelectrica selected Dentons Europe as its legal advisor for the upcoming initial public offering of the company's shares, as well as STJ Advisors Group as an equity adviser to provide consulting services for the planned IPO. Previously in April, Hidroelectrica signed Lazard, STJ and Deloitte as consultants in the process of preparing the company's initial public offering (IPO) on the stock exchange.