

Hidroelectrica's initial public offering - 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.

Romanian Social Democratic Party (PSD) initiated a bill which prohibits the sale of shares of any state-owned companies, has passed the Senate and currently is being debated in the Chamber of Deputies, in an emergency procedure.

The bill proposes the block on the sale of shares of any state-owned company in the next two years. This will affect the ongoing listing process of electricity producer Hidroelectrica, in which the state holds 80 % stake, planned for 2021.

In 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 IPO on the stock exchange.

Portfolio Manager of investment fund Fondul Proprietatea (FP) Johan Meyer said that the initial public offering of the largest Romanian electricity producer, in which the fund holds 20 % stake, is not possible in this year, but it could happen in 2021. He said that Hidroelectrica continues to take the necessary steps to select consultants to prepare for the IPO. However, the current situation with coronavirus pandemic will most likely lead to a postponement of the listing. But, FP does not anticipate a major postponement, no later than the first or second quarter of next year.