



Bucharest Stock Exchange and M&A valuation multiples

8th edition
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Contents

Introduction

01	Foreword	04
02	Executive summary	05
03	Scope and methodology	09

Chapters

04	Macroeconomic outlook	14
05	BSE Milestones	20
06	BSE Indices	23
07	MTS/AeRo market	31
08	Romanian stock market performance	35
09	ESG perspective	39
10	Listed companies valuation multiples	45
11	M&A valuation multiples	60

Introduction



The PwC Valuation and Economics team is delighted to publish the eighth edition of its analysis on the Bucharest Stock Exchange and M&A valuation multiples

The PwC study offers an extensive analysis of trading multiples trend spanning a 18-year period, from 2007 to 2024, focused on **85 companies primarily listed on the Bucharest Stock Exchange (BSE) main market** and their sector specific performance across nine analysed sectors including Consumer, Electricity, Financial services, Healthcare, Industrial, Information Technology & Communications (IT&C), Materials, Oil & Gas, and Real estate. Notably, the study excludes Erste Group Bank AG, which is primarily listed on the Vienna Stock Exchange and secondarily on the BSE. The study also covers **the analysis of 49 companies listed on the Multilateral Trading System (MTS)/ AeRO - Premium category**, in light of the increasing significance of the Multilateral Trading System (MTS) as a platform for companies exploring alternative listing options.

The study is centered on the valuation multiples analysis and the BSE's response to a series of significant events that occurred since 2007. These events include the global financial crisis 2007-2010, the COVID-19 pandemic from 2020 to 2021, the ongoing Russia's war against Ukraine started in February 2022, as well as additional geopolitical and economical developments. By examining the multiples' trend and the BSE's reaction to these events, we aim to gain insights into the market dynamics and investor sentiment during challenging times.

The study seeks to gain insights of:

- the overall performance of the Romanian equity market during 2007-2024 and in Quarter 1, 2025 (Q1 2025), approximated by the performance of benchmark indices, BET and BET-TR, analysed against the return on the Romanian government bonds as a proxy for Risk-free assets;
- the trend of valuation multiples across different sectors based on the analysis of companies listed on the Regulated Market;
- the trading multiples of companies listed on the MTS/AeRO - Premium category in 2023 and 2024;
- the evolution of valuation multiples derived from local transactions over the period 2007-2024.

With each edition, PwC Romania strives to enhance the content of the study by incorporating the latest research and industry trends on the valuation multiples of companies listed on BSE. We express our commitment to updating this study on an annual basis in order to provide value added for our readers.

Valuation and Economics
PwC Romania, Advisory - Deals

Macroeconomic outlook & Stock market performance

- Romania's public finances are under pressure due to substantial increases in public wages and pensions, leading to a budget deficit equal to 9.3% of GDP for the year 2024. EU deficit rules have been reinstated, requiring reductions below 3% by 2030. The economy's reliance on domestic consumption faces challenges with risks related to EU fund access, possible credit rating downgrades, alongside the fiscal measures currently being implemented. Investment, largely supported by EU funds, is set to continue, although constraints in budget spending and fiscal policies may limit private sector resources.
- Romania's equity market capitalisation to GDP ratio was 20.7% at 31 Dec 2024 yet lagging behind regional markets such as those in Greece, Croatia and Hungary.
- In June 2025, MSCI reclassified Romania's capital market as an Advanced Frontier Market. Romania's capital market will be part of a group of 5 capital markets classified by MSCI as Advanced Frontier Markets, alongside Slovenia, Estonia, Lithuania and Latvia.
- Other BSE market highlights include:
 - The local capital market (Regulated and MTS segment) surpassed the RON 360 billion threshold by the end of 2024, marking an almost RON 60 billion increase as compared to the end of 2023.
 - BET index increased by almost 9% as compared with 2023 and continued the upward trend in Q1 2025, when it additionally gained over 4% compared to its 2024 closing.
 - BET-TR index (reflecting also dividends of BET constituents) as at 31 December 2024 increased by 16% compared to the previous year-end and registered a similar growth as BET index in Q1 2025.

Most notable events on BSE during 2024 – Q1 2025

- The number of retail investors on the BSE continued to grow, from 178,000 at the end of 2023 to 226,000 at the end of 2024, a new all-time high for the Bucharest capital market.
- Romanian companies are expanding their presence in global indices, with FTSE Russell maintaining all current members and adding three new companies to the Micro Cap indices starting February 2025, demonstrating the resilience and growth of Romania's capital market amidst challenging conditions. Romania will be present in the FTSE Russell indices with 14 companies, including 9 in the FTSE Global All Cap (Banca Transilvania, Electrica, Hidroelectrica, MedLife, Nuclearelectrica, OMV Petrom, One United Properties, Teraplast, and TTS Transport Trade Services) and 5 in the FTSE Global Micro Cap (Aquila Part Prod Com, Arobs Transilvania Software, Bursa de Valori Bucuresti, Purcari Wineries, and Sphera Franchise Group).

- In May 2024, InterCapital Asset Management launched the first ETF on the Bucharest Stock Exchange tracking the BET-TRN index. The InterCapital BET-TRN UCITS ETF, traded under ticker ICBETNETF, debuted at RON 74.63 per unit.
- Green financing continued to gain more visibility on the local capital market between April 2024 and March 2025. Moreover, the first issuances of municipal green corporate bonds were completed in March 2024.
- The median return of the BSE indices in excess of the risk-free rate over the period from 31 December 2013 to 31 March 2025 was nearly 1.4% for BET and 8.2% for BET-TR. In 2024, both indices offered investors positive returns above the risk-free rate.

BSE milestone – latest IPOs on main market

- In May 2024, Premier Energy was successfully listed on BSE, raising almost RON 700 million and marking the largest listing in the last five years of an entrepreneurial company on the BSE.
- Green Tech International started trading on the BSE in February 2025 under the ticker “GREEN” and raised RON 7.3 million (EUR 1.45 million).



Valuation multiples – companies listed on the BSE

Valuation multiples – listed companies on Regulated Market and MTS

This study focuses on the equity performance of the underlying nine industries analysed on the Regulated market and respectively seven on the MTS Premium segment. The main conclusions on the sectorial performance of the analysed listed companies in 2024 are:

Regulated market

- On the Regulated market the **Oil & Gas** sector, posted the highest increase of the average market capitalisation; other sectors with strong market capitalisation growth in 2024 are financial services and Healthcare;
- The **Electricity** sector recorded the highest median market capitalisation (RON 4,482 million) whereas the **Industrial sector** (RON 69 million) posted the lowest median;
- The highest median P/E multiple was displayed by the **Materials** (16.8x) and **IT&C** (15.0x) sectors, whereas the lowest P/E was observed for companies operating in the Real estate (7.7x) and Financial services (9.7x) sectors;
- The P/E multiple of the **Financial Services** sector was close to the last 17-year average (10.2x).

MTS Premium

- In 2024, the MTS Premium category included 49 companies with a market capitalisation ranging between RON 2 million and RON 308 million and an average of RON 64 million at the end of 2024, significantly below the average market capitalisation of companies listed on the main market (RON 2.7 billion).
- The largest three companies have a market capitalisation exceeding RON 200 million and are categorised within Agribusiness and Consumer sectors.

ESG initiatives on BSE

In the last couple of years, BSE was committed to promote sustainability and ESG initiatives in order to develop a healthy framework for all listed companies and increase its visibility and attractiveness among local and international investors. As part of these initiatives 22 companies listed on the Regulated Market published their ESG score - 20 listed on the Regulated market, one listed on MTS (i.e. Norofert) and one company with sustainability-linked bond rating on the Regulated market (i.e. Autonom Service from the Regulated Market).

M&A multiples

The highest average EBITDA multiple during 2007 – 2023 was recorded in 2008 and 2013 (11.2x), whereas the lowest EBITDA multiple was observed in 2010 and 2011 (2.6x and 3.3x).

In 2024, the average EBITDA multiple derived based on completed transactions (6.5x) was below the median EBITDA multiple observed on the BSE' main market (8.8x) and MTS Premium category (8.1x).



Scope and methodology

The performance of the Romanian capital market is an indicator of prosperity and economic outlook stability. The increasing investment appetite for companies listed on the Romanian capital market has contributed to the growth of one of the most important indices of the Bucharest Stock Exchange (BSE), namely the Bucharest Exchange Trading (BET) index, which reflects the growth of the most liquid shares listed on the BSE

The **purpose of this study** is to provide a comprehensive analysis of the Romanian capital market from a valuation perspective, focusing on both Regulated market and MTS/AeRO – Premium category. The multiples were analyzed for nine specific sectors in the regulated market and seven sectors in AeRO Premium, as well as in aggregate.

In addition to the analysis of the multiples recorded by the listed companies on BSE, the study also covers the multiples derived based on local closed transactions (M&A).

Equity market return

Valuation multiples of listed companies on Regulated market

Valuation multiples of listed companies on MTS, Premium category

Key sectors – Regulated market

Consumer	Industrial	IT&C
Materials	Aggregated	
Financial services	Healthcare	
Oil & Gas	Electricity	Real Estate

Key sectors – MTS Premium category

Agribusiness	Industrial
Financial services	Aggregated
Real Estate	IT&C
Consumer	Materials

Scope and methodology

Valuation based on market approach

Market multiples are valuation metrics widely used to value businesses. Assuming that the selected peer companies have similar valuation multiples, appraisers may conclude that, by applying the industry multiple to a specific company's financial metrics, they can arrive at the company's market value (enterprise value or equity value, depending on the selected multiple).



Within the listed companies' multiples analysis, we considered the following statistical measures:

- (a) **Quartiles** – 1st, 2nd (median) and 3rd – are statistical metrics describing a division of observations into four defined intervals based on the values in the sample. Each quartile contains 25% of the total observations.
- (b) **Average** is the sum of the values divided by the total number of the companies included in the data set. It is one of the most commonly-used measures of central tendency and it is the preferred multiples proxy when the distribution is set to be normal. Otherwise, **the median** is the preferred central tendency measure, as it is not influenced by outliers.
- (c) **Coefficient of variation** equals the standard deviation divided by the average and it is a measure of the dispersion of a data set from its own mean. The more spread out the data, the higher the deviation. When the deviation is too high, the mean multiple is not relevant.

Scope and methodology

Various methods can be used to value a company. In practice, business valuation is often a combination of different approaches. The market approach (comparable listed companies and comparable transactions) is generally used in addition to other valuation approaches, mainly as a cross-check of the applied estimation procedures. Put simply, within the market approach, a company's sales or profits (or other financial indicator) are multiplied by an industry average/median multiplier as basis for estimating the Market Value of the business or the market value of the equity.

Current financial multiples include historical multiples based on standardized financials for the last completed fiscal period: Last Twelve Months (LTM). Current multiples based on per-share metrics (such as P/E or P/BV) are calculated using the last closing equity price, whereas current multiples based on company-level metrics (such as net sales, EBITDA or Total assets) are calculated using the Enterprise Value (EV).

It must be stressed, however, that any conclusions derived from using such multiples could be misleading and would need to be thoroughly reviewed, primarily for the following reasons:

- In reality, there is no such thing as 'twin-security', e.g. a perfect comparable company with the same risk exposure as the valuation target. In essence, that means that companies with risk profiles different from that of the valuation target are used to estimate its value;
- There are usually a number of strategic reasons for acquiring a particular company in a specific market. Such considerations lead to prices that are not aligned with the typical values of the most frequently used multiples such as price-to-earnings ratio (P/E) and the price-to-book value of equity ratio (P/BV).



Understanding the results

The financial data used in this study were derived from several sources, i.e. the BSE official website/Research Hub, Bloomberg, S&P Capital IQ platform, ISI Emerging Markets, Mergermarket, Sustainalytics and PwC internal database. While every care was taken in compiling this study, no responsibility is taken for errors or omissions. The data selected and used by PwC within its analysis was collected in a professional manner and best efforts were applied with a view to offering accurate and complete results; PwC has not verified, validated or audited the data compiled from public sources. Therefore, PwC will not be held liable for any damage or loss from the use of the information contained herein.

The time frame selected for our analysis covers the 18-year period from 2007 to 2024 and the first quarter 2025.

Disclaimer

The Content of this study is for informational purposes only, therefore you should not construe any such information as an investment, financial, or any other consulting advice/recommendation. Nothing contained within the study constitutes a recommendation with respect to any investment in shares, bonds and other type of securities.

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Chapters



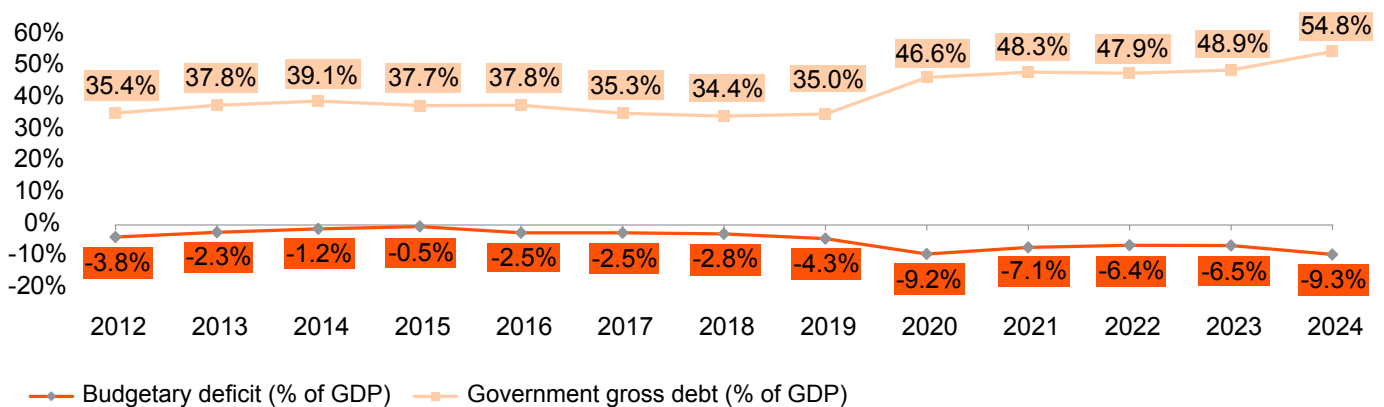


Macroeconomic context (1/4)

- Romania's public finances are currently under significant strain following multiple election rounds in 2024 and 2025. These elections led the government to engage in excessive spending and adopt populist measures despite existing economic imbalances. Romania concluded 2024 with a budget deficit of 9.3% of GDP, amidst slow economic growth of just 0.9%, which was below initial forecasts, thereby significantly exceeding the 3% deficit threshold.
- During the Covid-19 pandemic in 2020, most EU states faced high budget deficits, prompting the EU to suspend its budgetary rules for all member states from 2020 to 2023. As of 2024, the general escape clause is no longer in effect, and the EU has reinstated the excessive deficit procedure under the revised economic governance framework. While Romania was one of the seven EU countries with budget deficits exceeding the 3% limit in 2024, its shortfall was the largest among them.
- While in July 2024, the European Council concluded that Romania had not taken effective measures, Romania submitted a medium-term fiscal-structural plan in October 2024, covering the period 2025–2028, including among others a plan to reduce the deficit below 3% of GDP by 2030 and to adjust the structural budget deficit by 2pp per year for 2025 and 2026.

- Romania's inability to swiftly implement credible measures to reduce the deficit poses the risk of its access to EU funds being blocked and a potential downgrade of its sovereign rating from the lowest tier of investment grade. The new government appointed on 23 June 2025 has a difficult mission to implement unpopular fiscal reform, aiming to generate additional tax revenue, and cost cutting measures, for the purpose of reducing the budget deficit.
- For over 10 years, Romania's debt has been rated at the lower end of the investment-grade spectrum by the three major rating agencies, Standard & Poor's, Fitch, and Moody's. Recently, all three agencies have revised their outlook from stable to negative considering Romania's economical and other issues.
- With government debt at 55% of GDP in 2024, there are expectations that Romania will breach the Maastricht Treaty 60% limit in 2026, driven by high government deficits and increase in interest payments.

Romania's Government debt and budgetary deficit as % of GDP

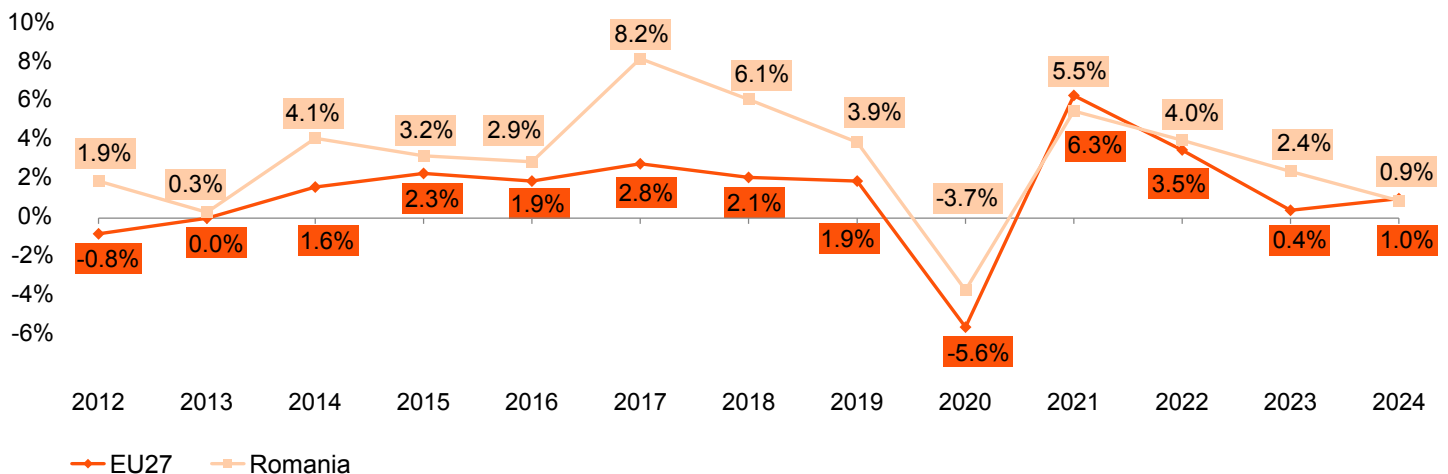


Source: Eurostat

Macroeconomic context (2/4)

- The Romanian economy remains dependent on European and global economic and geopolitical developments. Additionally, it is increasingly reliant on the availability of a qualified labor force, which is challenged by emigration and declining birth rates.
- Following two years of robust real economic growth after the COVID-19 pandemic - 5.7% in 2021 and 4.0% in 2022 - Romania's real GDP growth rate decelerated to 2.4% in 2023 and 0.9% in 2024. Given Romania's reliance on domestic consumption for economic growth, the fiscal measures currently being implemented by the new government to manage the budget deficit may potentially lead to economic decline. The European Commission's estimates for Romania's economic growth will be 1.4% in 2025 and 2.2% in 2026.

Real GDP growth rate (%): Romania vs. the EU27



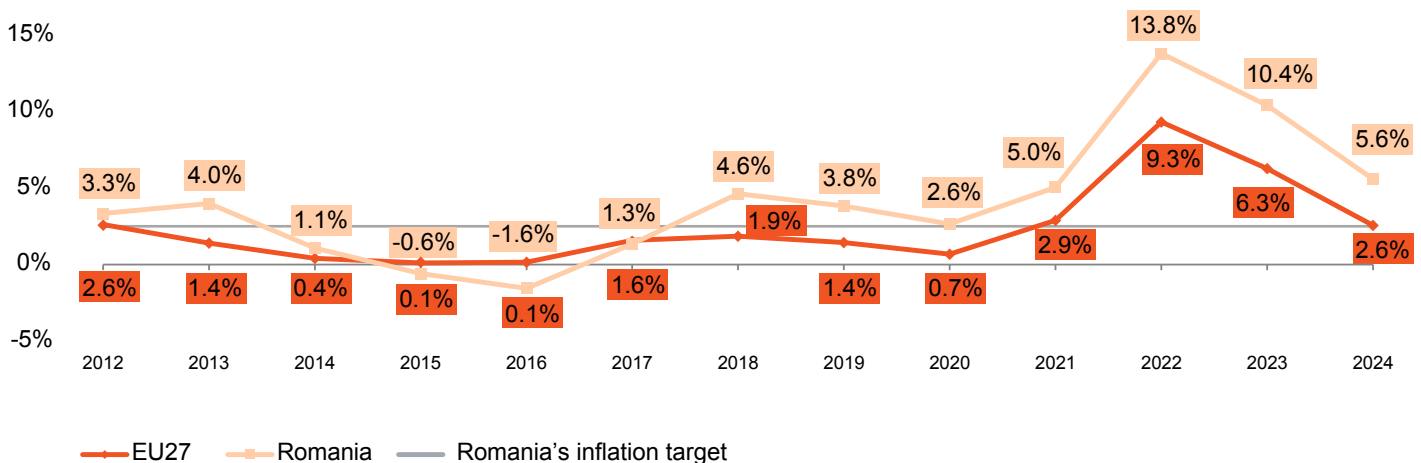
Source: Eurostat

- Gross fixed capital formation** (investments), expressed as a percentage of GDP, increased from 23% in 2019 to 26% in 2024; however, it slightly decreased from the previous year, with a contraction in the private sector offsetting a moderate expansion in the public sector. Looking ahead, investments are expected to continue and support economic development, encouraged by the inflow of European Union funds. However, risks arise from constraints in budget spending and fiscal measures that limit the financial resources available to private companies.
- Private consumption**, the main economic growth driver in Romania in recent years, posted a 12% increase in 2024 compared to 2023. Over the past decade, private consumption in Romania doubled (in real terms), from EUR 98 billion in 2015 to EUR 225 billion in 2024. The growth in private consumption in Romania was 2.4 times higher than the average growth observed in the European Union during the same period.
- In 2024, both the **exports and imports of goods and services** decreased as percentage of GDP, to 36% and 42%, respectively, while the trade balance deficit increased in 2024 to 6% of GDP, from almost 5% in 2023.

Macroeconomic context (3/4)

- According to the Eurostat, the unemployment rate in Romania was of 5.4% in 2024, slightly below the 5.6% recorded in the period 2021 – 2023, while the EU average decreased by 0.3pp in 2024 to 5.9%.
- After a peak of 13.8% recorded in 2022, Romania's average **inflation rate** decreased to 10.4% in 2023 and 5.6% in 2024, Romania ranking on the first place within the 27 EU member states in terms of 2024 inflation.
- With the increase in VAT and other taxes, along with the anticipated rise in electricity prices following market liberalization since July 2025, inflationary pressures are high.
- According to the European Commission, Romania's inflation rate is expected to stay above 5% in 2025 and to decrease below 4% in 2026.

Inflation Rate (%) – Romania vs. the EU27

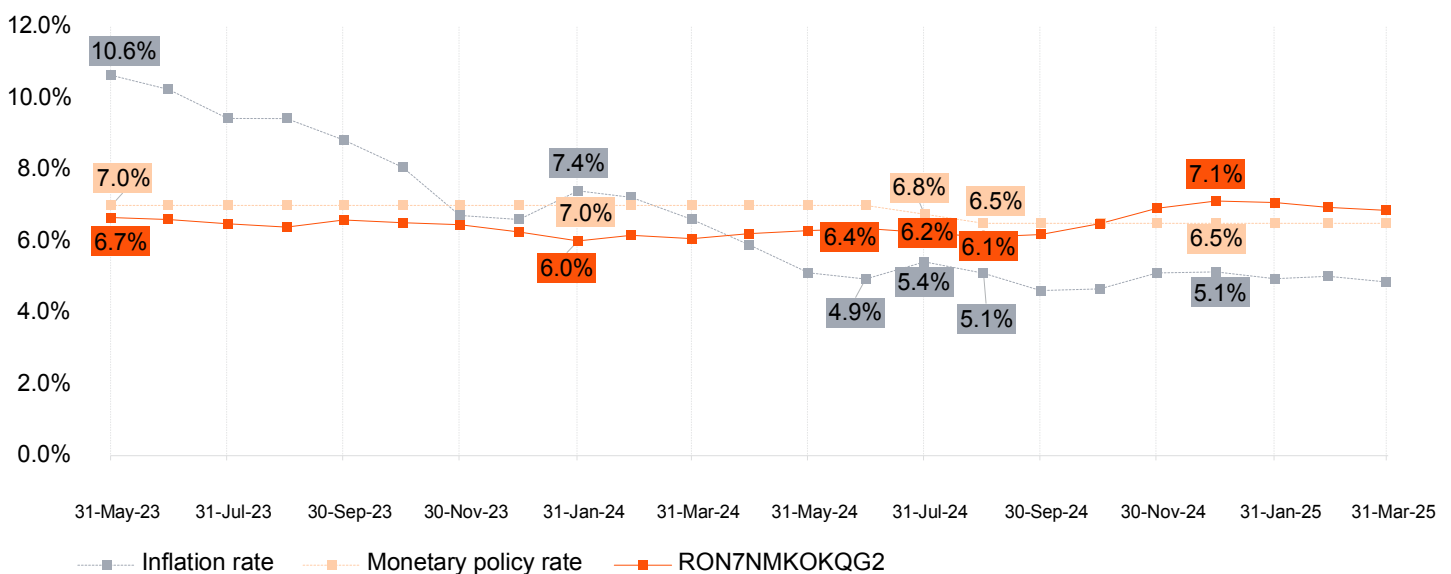


Source: IMF World Economic Outlook – April 2025

Macroeconomic context (4/4)

- The risk-free rate (RfR) represents the return expected by an investor from investing in a risk-free asset. The common proxy used for RfR in Romania is the yield to maturity of a liquid long-term Romanian Government Bond. The domestic government debt (including issuance, redemption, interest payments, etc.) is handled by the Ministry of Finance (MF). The National Bank of Romania (NBR) acts as the MF's agent overseeing the management of government securities, in both national and foreign currencies, on the domestic market.
- According to the December 2024 report published by the MF Public Debt Management Office, the most actively traded government bond denominated in the local currency is the bond with ISIN number RON7NMKOKQG. This bond was issued in April 2023 and initially had a maturity of 3.6 years.
- In the monthly analysis from May 2023 to March 2025, a gradual decrease in the inflation rate is observed. Meanwhile, the analyzed bond (RON7NMKOKQG2) showed a mid-period decline before increasing to reach a maximum return of 7.1% in December 2024, according to data from the S&P Capital IQ platform. Since April 2024, the yield on government bonds has surpassed the inflation rate, with the gap stabilizing at approximately 2 percentage points toward the end of the analysis period. Although, for many months, the return on risk-free assets, as approximated by government bonds, was insufficient to offset the high inflation rate, the recent period has seen a reversed trend; this trend indicates genuine prospects for government bond investments to generate positive real returns.

Monthly evolution - RfR, monetary policy rate and inflation rate (%)



Note: RfR (or yield to maturity) for the bond included in the analysis was calculated as of the last day of the month.

Source: S&P Capital IQ, NBR, NIS, PwC Analysis

- While the RfR and inflation rate evolved in tandem, the difference between the two indicators narrowed from 4pp in May 2023 to 2 pp at the end of March 2025, reaching its lowest point in April 2024, when the inflation – return gap fell below 0.5 pp.
- Over the past year, the inflation rate decreased from 7.4% at the end of January 2024 to 5.0% by the same time the following year. Meanwhile, the monetary policy rate dropped from 7% at the end of June 2024 to 6.5% in August 2024, remaining stable thereafter.



Bucharest Stock Exchange (BSE) – regional context

Overview

Based on an FTSE Russell review, equity markets are classified as: Developed, Advanced Emerging, Secondary Emerging or Frontier.

For a more comprehensive analysis of the BSE's regional position, we looked at similar capital markets in terms of their volatility and the correlation between economic growth and indices value. The stock exchanges selected in our analysis are: (a) **Advanced Emerging markets** – Greece, Hungary and Czech Republic (b) **Frontier markets** – Bulgaria, Croatia, Slovakia, Slovenia and Cyprus. Bucharest Stock Exchange is included in Secondary Emerging market since September 2020.

Romania's equity market capitalisation to GDP ratio was 20.7% at 31 Dec 2024 yet lagging behind regional markets such as those in Greece, Croatia and Hungary. The market capitalisation (including both the main segment and MTS) increased by approximately 18% in 2024 vs. 2023, reaching EUR 73 billion (equivalent of RON 364 billion) following the listing of Premier Energy in May 2024 and the transfer of two companies, Simtel Team and Roca Industry, from the MTS market. For all analysed exchanges except Prague Stock Exchange, we considered the total market capitalisation both on the main and alternative stocks trading segments, although each stock exchange has different structures.

With a significantly higher number of listed companies and an average market capitalisation of EUR 211 million, companies listed on BSE seem to be smaller as compared to those listed on other regional exchanges, except Bulgaria, Cyprus and Slovakia.



Country	Stock Exchange	GDP per capita (EUR), 2024	Market capitalisation (EUR m)	Capitalisation 31 Dec 2024 (% GDP 2024)	No. of companies
Croatia	Zagreb Stock Exchange	21,740	28,949	33.8%	87
Greece	Athens Stock Exchange	22,560	103,800	43.7%	137
Bulgaria	Sofia Stock Exchange	16,110	8,794	8.5%	237
Czechia	CEESEG - Prague	29,280	62,606	19.6%	30
Hungary	Budapest Stock Exchange	21,570	43,376	21.0%	67
Romania	Bucharest Stock Exchange	18,560	73,110	20.7%	346
Slovenia	Ljubljana Stock Exchange	31,490	11,932	17.8%	23
Cyprus	Cyprus Stock Exchange	34,490	5,675	16.9%	50
Slovakia	Bratislava Stock Exchange	24,000	2,285	1.7%	31

Note: The market capitalisation for Prague Stock Exchange does not include free market. Market capitalisation for Prague and Bucharest stock exchanges includes also Erste Group, which is primarily listed on a different stock exchange

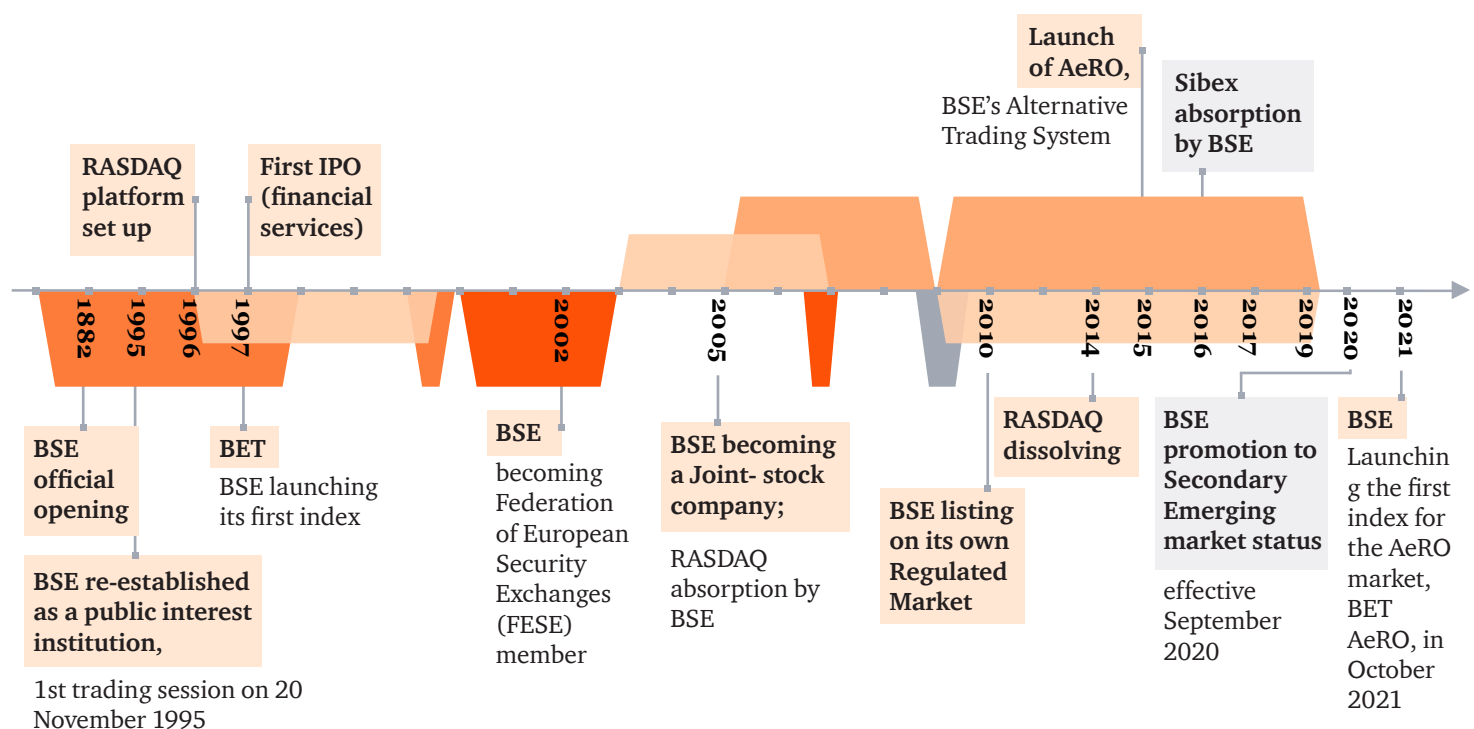
Source: Eurostat, S&P Capital IQ, Official website for each stock Exchange.





BSE Milestones

Stock exchange activity in Romania traces back to 1839, when commodities exchanges were established. The Bucharest Stock Exchange was firstly opened on 1 December 1882, but it was seriously affected by social and political instability until it was suspended in 1948 under the communist regime. Almost 50 years later, it was re-established as a public not-for-profit institution in June 1995.



BSE Indices (1/2)

BSE operates two markets:

1. Regulated Market/Main market, where the following financial instruments were traded at 31 December 2024:

- Equities of 86 companies, of which four included in the International tier (Erste Group Bank AG, Premier Energy, Purcari Wineries Public Company Limited and Digi Communications NV), 30 included in the Premium segment and 52 in the Standard segment. To be included in the Premium segment, a minimum free-float of EUR 40 million is required.
- Debt instruments (corporate, municipal and government bonds issued by Romanian entities and international corporate bonds) - 131 bond issues were listed and traded on the BSE regulated market as at 31 December 2024, i.e. 39 corporate bonds, 37 municipal bonds and 55 government bonds.
- UCITs (shares and fund units), structured products, tradable UCITS (ETFs) - very few alternative products were listed on the BSE as at 31 December 2024:
 - ETFs: Patria-Tradeville Energy, Patria-Tradeville BET, Intercapital BET-TRN
 - close-end funds: STK Emergent, and BET-FI Index Invest.

Ticker	BET constituents	Weight in BET, 31 December 2024	Weight in BET, 31 March 2025
SNP	Omv Petrom S.A.	19.5%	19.4%
TLV	Banca Transilvania S.A.	19.4%	19.9%
H2O	S.P.E.E.H.Hidroelectrica S.A.	16.2%	15.6%
SNG	S.N.G.N. Romgaz S.A.	8.8%	9.8%
BRD	BRD - Groupe Societe Generale S.A.	7.7%	7.3%
DIGI	Digi Communications N.V.	3.8%	3.7%
SNN	S.N. Nuclearelectrica S.A.	3.7%	3.4%
EL	Societatea Energetica Electrica S.A.	3.3%	3.1%
TGN	S.N.T.G.N. Transgaz S.A.	3.3%	3.9%
M	Medlife S.A.	3.2%	3.3%
TEL	C.N.T.E.E. Transelectrica	1.6%	1.8%
ONE	One United Properties	1.4%	1.1%
FP	Fondul Proprietatea	1.3%	1.5%
ATB	Antibiotice S.A.	1.3%	1.0%
PE	Premier Energy PLC	1.1%	1.0%
AQ	Aquila Part Prod COM	1.0%	1.2%
TRP	Teraplast S.A.	1.0%	0.7%
SFG	Sphera Franchise Group	0.9%	0.9%
TTS	TTS (Transport Trade Services)	0.9%	0.7%
WINE	Purcari Wineries Public Company Limited	0.8%	0.7%

Source: BSE

2. The MTS (also known as AeRO) segment, launched in February 2015, following the closure of RASDAQ, with the purpose of accommodating the trading of early-stage companies, such as start-ups and SMEs. RASDAQ was the unregulated segment of the BSE, launched in 1996, where Romanian entities resulting from the mass privatisation programme were listed. It was dissolved based on a parliament decision in October 2014. As a consequence of RASDAQ's closure, the companies listed on that segment had one year to decide whether to migrate to the regulated market or to the MTS or go private. The last trading day for the RASDAQ-listed companies was in October 2015. According to the information published by BSE, a total of 260 companies were operating on the MTS segment as at the end of 2024.

The Bucharest Stock Exchange (BVB) calculates and distributes in real-time 12 indices – BET, BET-TR, BET-TRN, BET-XI, BET-XI-TR, BET-XI-TRN, BET-BK, BET-FI, BET-EF, BET-NG, BET Plus, BET AeRO – and **one index developed together with Vienna Stock Exchange** – ROTX index.

BET, the first index developed by BSE in 1997, represents the reference index for the local capital market, including Blue Chip Companies; the BET index reflects the performance of the top 20 most-traded companies listed on the BSE, with the most recent change being the introduction of Premier Energy PLC and Antibiotice S.A. and the removal of Bursa de Valori Bucuresti S.A and Conpet S.A..

The main selection criterion for constituents' inclusion in the BET index relates to the liquidity coefficient. BET index constituents are adjusted quarterly to update their weights as a result of corporate events (share capital increases, splits, consolidations, etc.), changes of the index composition following the inclusion / exclusion of a company, index constituents' shares market price evolution.



BSE Indices (2/2)

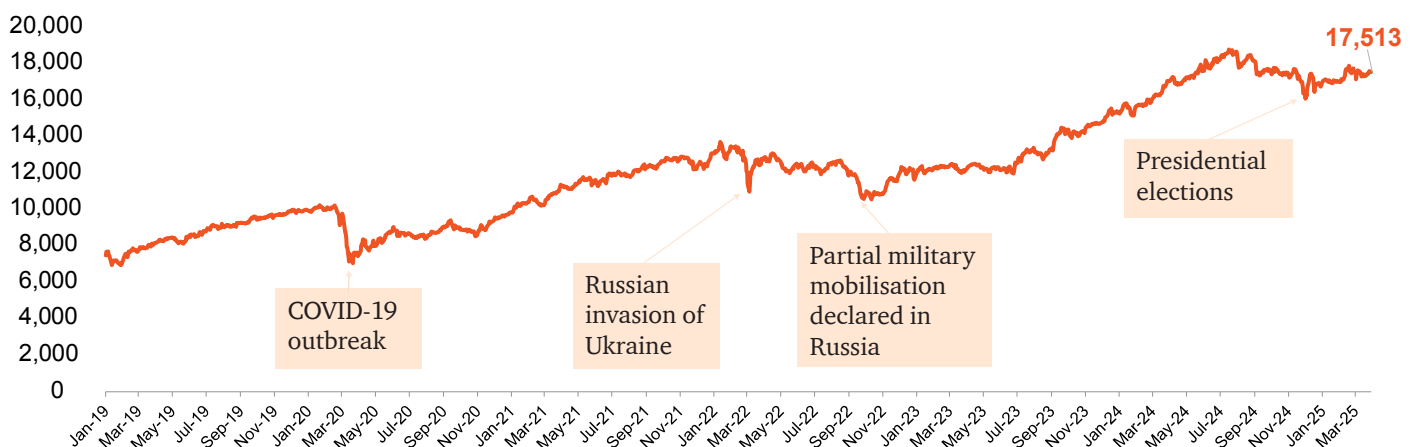
BET-TR is the first total return index launched by the BSE based on the BET structure. This index tracks price changes of component shares and is adjusted to reflect the dividends paid by its constituent companies. BET-TR includes the 20 most-traded companies listed on the BSE and has the same constituents as the BET.

In addition to BET and BET-TR, other indices are available. Those include: BET-XT and BET-XT-TR, which track the price changes of the 30 most-traded companies listed on the BSE's Regulated Market, including financial investment companies, and the corresponding total return; three sectorial indices (BET-FI for financial investment companies, BET-NG for energy and utilities, and BET-BK a benchmark index for asset managers and other institutional investors), BET-Plus that is a free float market capitalisation-weighted index of the Romanian companies excluding investment companies and ROTX, which is an index developed by BSE together with Vienna Stock Exchange for all "blue chip" shares traded on the regulated market.

In 2021, BSE launched other three indices, namely **Bucharest Exchange Trading Net Total Return** (BET-TRN - net total return version of market reference index BET), **Bucharest Exchange Trading Extended Net Total Return** (BET-XT-TRN - net total return version of BET-XT index), respectively **Bucharest Exchange Trading AeRO (BET-AeRO)** that reflects the price performance of companies listed on the AeRO market that meet the free-float, market capitalization and liquidity criteria. The last index was designed as a benchmark for AeRO listed companies. BET-AeRO is reviewed quarterly on March, June, September and December.

In 2024, BSE launched the **Bucharest Exchange Trading Energy, Utilities, and Financials (BET-EF)** index, which reflects the performance of Romanian companies listed on the Regulated Market of BVB that are representative of the energy, utilities, and financials sectors.

The evolution of the BET index in the period 2019 - Q1 2025



- As it can be observed on the graph, BET index quickly responded to the challenging mix of events that took place over 2019 - Q1 2025. The main events identified as causing a sudden fall in the BET index are:
 - COVID 19 outbreak, leading to restrictions and worldwide panic - BET index lost 25% during 1 February – 1 April 2020
 - Russian invasion of Ukraine in February 2022, causing instability and fear - BET index dropped by 17% during the period 23 February - 7 March 2022
 - Partial military mobilisation was declared in Russia on 21 September 2022 – BET index lost approx. 6% until end of September 2022
 - BET index dropped by 2.4% on December 3, 2024, due to increased investor concerns among following Romania's presidential elections.
 - BET index increased by nearly 9% at the end of 2024 compared with 2023 and continued the upward trend in Q1 2025, when it additionally gained over 4% compared to its 2024 closing.



Overview of Romanian IPOs – a retrospective analysis

The scarcity of IPOs in Romania might be explained by the low appetite for transactions in the context of global uncertainties, especially in the period 2008-2012, the postponing of public listings for state-owned companies and the lack of experience regarding raising financing via primary capital markets. The mass privatization process that took place during 1995-1996 accelerated the privatisation of state-owned companies and helped building the foundation of local IPO culture. In the context of alternative equity providers (e.g. private equity and venture capital equity funds), some companies decided not to go public on the BSE, thus keeping the number of domestic IPOs at low levels. In recent years, the BSE has been committed to holding financial seminars and campaigns to increase awareness regarding trading on a capital market and the inherent advantages.

The timeline showcases successful IPOs of companies listed on the regulated segment of the Bucharest Stock Exchange from 2006 to 2024, together with the transfer of listed companies from MTS to the Regulated Market. It includes the IPO value and an estimated P/E ratio calculated at the IPO date based on the initial price, as well as the P/E ratio as at 31.12.2024. Premier Energy entered BVB during 2024, while in the first six months 2025 Green Tech International started trading on the BVB.

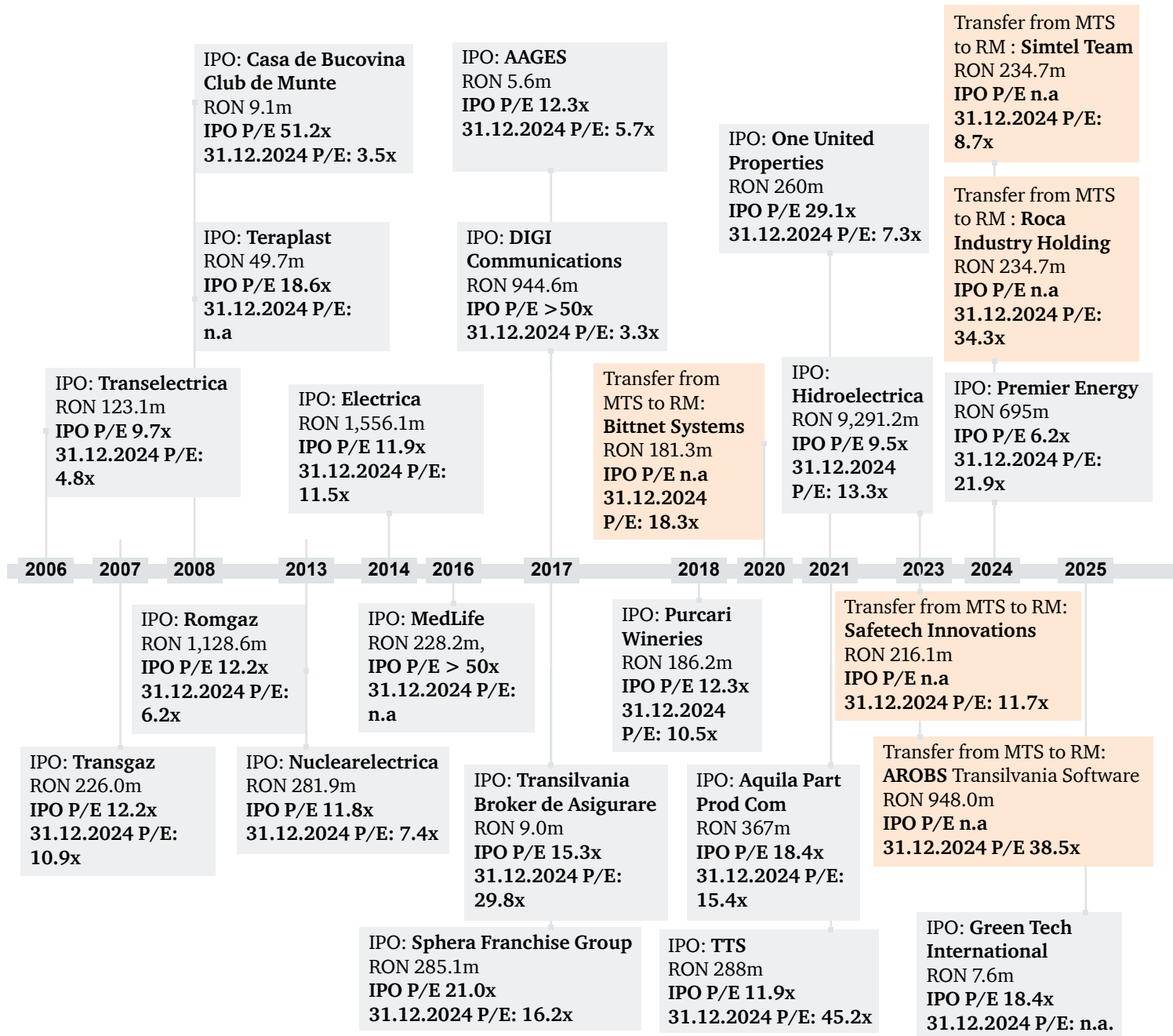
2024 IPO Premier Energy: Premier Energy is a producer, distributor and supplier of electricity, as well as a natural gas supplier and distributor; the company was successfully listed on BSE in May 2024 under the ticker “PE” and raised c. RON 695 million (EUR 140 million). This IPO marks the largest listing of an entrepreneurial company on the BSE in the last five years according to a BSE communicate.

2025 IPO Green Tech International: Green Tech International is a producer and supplier of geothermal energy, committed to contribute to CO2 reduction; the company started trading on the BSE in February 2025 under the ticker “GREEN” and raised RON 7.3 million (EUR 1.45 million).



Overview of new listings on BSE

Retrospective analysis of successful IPOs on the Regulated market ("RM"), including transfers from MTS



Source: BSE website (www.bvb.ro)

Romgaz and Electrica were both listed on the Bucharest Stock Exchange and the London Stock Exchange; The presented timeline displays the IPO value raised only on the Bucharest Stock Exchange, regardless of global depositary receipts traded on London Stock Exchange.

*Bittnet Systems, Safetech Innovations, Roca Industry Holding, Simtel Team and AROBS Transilvania Software were initially listed on MTS and transferred to BSE main segment; the proceeds displayed in the above timeline refer to the market capitalization recorded in the last day on MTS.

Liquidity analysis – BSE regulated/main market

In the last couple of years, BSE consolidated its position and became more attractive to investors after the promotion to the Secondary Emerging market status in September 2020.

During 2014 – 2024, the total market capitalisation on the regulated market (including domestic and international tiers) ranged between RON 130 - 350 billion, while the value traded as percentage of market capitalisation ranged between 5% and 10%. Before that period, the capital market evolution and trading activity was less predictable, with higher fluctuations observed.

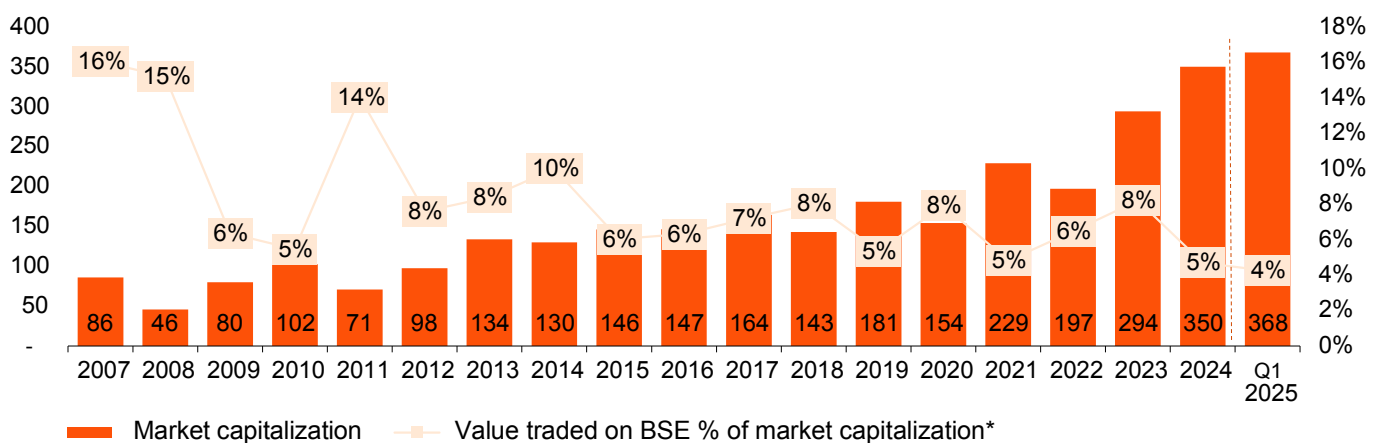
In 2024, the market capitalisation increased by 19%, reaching a new record of RON 350 billion, while the traded value decreased by 32% after a record year attributed to the newly listed company of year 2023, i.e., Hidroelectrica, whose traded value decreased from 13 bn RON to less than 3 bn RON.

The number of companies listed on the regulated market (excluding Erste Group) slightly changed from 84 companies as at 31 December 2023 to 85 as at 31 December 2024, following the transfer of Simtel Team and ROCA Industry Holdingrock1 S.A. from MTS to main market, delisting of Dafora and Cemacon S.A and the listing of Premier Energy PLC. Of the 85 currently listed companies on BSE regulated segment, one company was suspended for more than 10 years (UCM Resita) but resumed trading in 2022.

BSE market capitalisation as at 31 March 2025 exceeded the RON 350 billion threshold and posted a 5% growth compared to the end of 2024, whereas the traded value in Q1 2025 was 33% lower compared to Q1 2024.

BSE's weakest performance in the last 17 years was recorded in 2008 during the financial crisis when market capitalisation almost halved. The RON 46 billion market capitalisation recorded at the end of 2008 represents only 13% of the market capitalisation recorded as at the end of 2024.

Evolution of market capitalisation and traded value on BSE main segment, 2007 - Q1 2025 (end period)



Source: BSE

* Annualised value traded for Q1 2025

The top five most traded shares on the regulated market changed in 2024, with Banca Transilvania S.A. (BVB:TLV) taking the lead and accounting for 20% of the total traded value and with SNGN Romgaz S.A. leaving the top 5 ranking. The next four companies in the top are Hidroelectrica (BVB:H2O), OMV Petrom S.A. (BVB: SNP), Fondul Proprietatea (BVB: FP) and Premier Energy PLC (BVB: PE). The trades of the five companies' shares account for 60% of total traded value in 2024. The most traded companies are from Financial services, Electricity and Oil & gas sectors, similar to the previous year.

Company name	Sector	Ticker	Traded value in 2024 (thousand RON)	% in total traded value
Banca Transilvania S.A.	Financial	BVB:TLV	3,368,265	20%
S.P.E.E.H. HIDROELECTRICA S.A.	Electricity	BVB:H2O	2,736,874	17%
OMV Petrom S.A.	Oil & gas	BVB:SNP	1,998,936	12%
Fondul Proprietatea SA	Financial	BVB:FP	884,627	5%
Premier Energy PLC	Electricity	BVB:PE	867,872	5%

Source: S&P Capital IQ, PwC Analysis



Overview of MTS market

As at 31 December 2024, 278 companies were listed on the MTS market segment, grouped by market categories as follows:

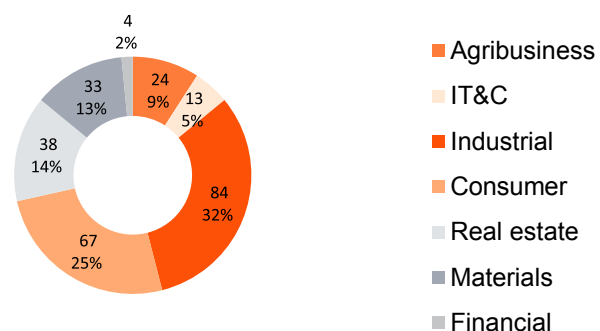
- AeRO International - 15 companies
- AeRO Premium – 50 companies, of which 1 suspended
- AeRO Standard – 210 companies, of which 17 suspended
- AeRO Baza – 3 companies

During 2024, two companies were transferred from MTS to the Regulated market, i.e. Roca Industry Holdingrock1 and Simtel Team and ten companies were delisted from AeRO. While some of the delisted companies were facing bankruptcy or were suspended for other reasons, the most notable delisting is represented by Brikston Construction Solutions, the largest company ever traded on AeRO, with a market capitalisation of over RON 900 million before trading suspension. During 2024, four new listings were concluded on the MTS market Premium segment, i.e. Fort SA, Glissando Garden Center SA, Immo Guru SA, Jt Grup Oil SA .

Of the companies listed on the MTS market, excluding the International segment, approximately one third are included in Industrial and one quarter in the Consumer sectors.

The market capitalisation of AeRO decreased by 10%, reaching RON 13.3 billion, with the Premium segment driving the decrease, following the delisting of Brikston Construction Solutions and the transfer to the main market of other two large companies. The average market capitalisation of the 50 companies on AeRO Premium was of RON 63 million as at 31 December 2024, 30% below the average recorded one year ago.

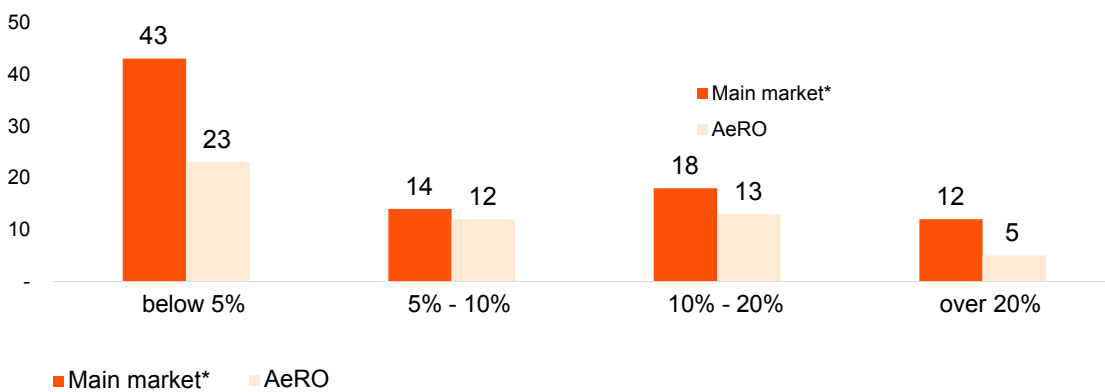
MTS (excluding International segment) - number of listed companies by sectors



MTS traded value (excluding IPOs) has decreased constantly in the last few years, one of the causes being the transfer of the larger companies on the Regulated segment but also due to delistings. The traded value of all 50 companies included in the Premium segment as at 31 Dec 2024 accounted for over half of total value traded recorded on the BSE MTS market.

In 2024, the liquidity of the shares listed on BSE's AeRO premium segment remains slightly higher as compared to liquidity of companies on the main market of BSE, i.e. 36% of the companies listed on AeRO premium segment recorded a traded value of at least 10% of the average market capitalisation vs. 34% for companies on the Regulated segment.

Regulated market vs. AeRO Premium* - Number of companies grouped based on % Traded value in average market capitalisation



Source: BSE monthly bulletins for MTS and BVB 2024, PwC Analysis

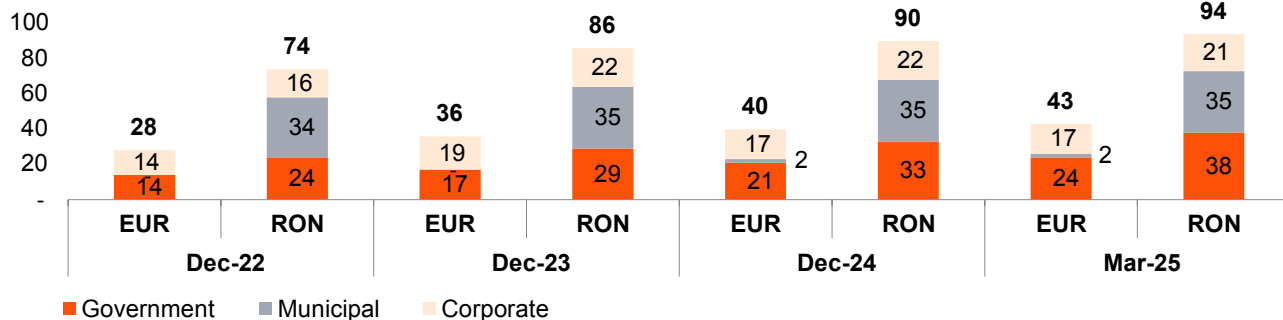
* Erste excluded

Note: Average market capitalisation was computed as an average of the market capitalisation as at 31 December 2023 and at 31 December 2024, respectively.

Bucharest Stock Exchange (BSE) main market – bonds segment

Starting 2021, the bond market saw some dynamics as a result of the listing of the Government Bonds programme Fidelis, addressed only to individuals. The analysis of bond listings on the BSE indicates a gradual rise in the count of bonds denominated in both RON and EUR from 2022 to Q1 2025. Notably, the number of EUR-denominated bonds nearly doubled during this period.

Bonds issued in RON / EUR - evolution (#)

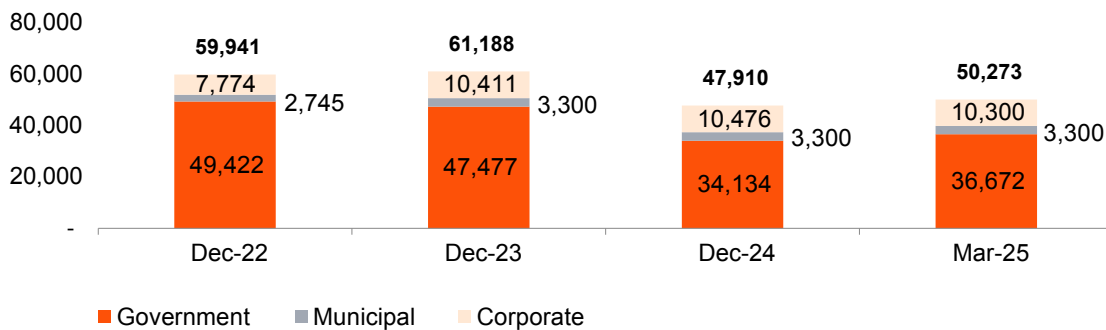
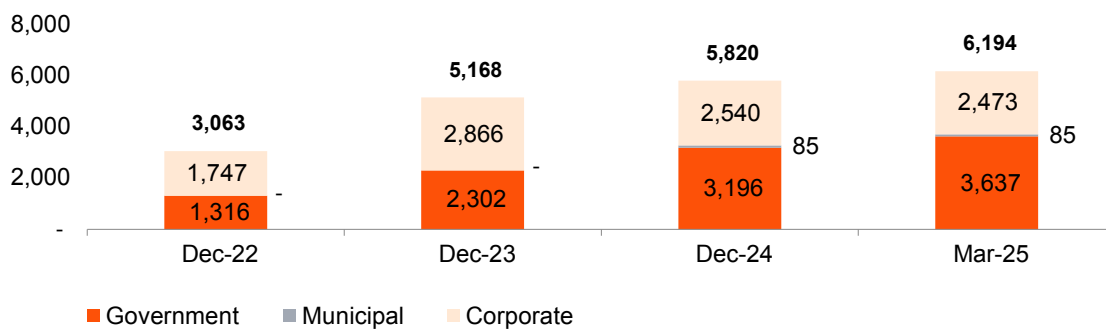


Source: BSE – Main Market, monthly reports

Issuance of bonds during 2022-2024 recorded an upward trend, with 23 new bonds issued in 2022, 27 bonds in 2023 and 36 in 2024, as follows:

- 2022: 14 bonds denominated in RON (7 government / 6 corporate / 1 municipal) and 9 bonds denominated in EUR (8 government / 1 corporate);
- 2023: 16 bonds denominated in RON (13 government / 3 corporate / 1 municipal) and 11 bonds denominated in EUR (8 government / 3 corporate);
- 2024: 21 bonds denominated in RON (19 government / 2 corporate) and 15 bonds denominated in EUR (12 government / 3 corporate);

Over the period December 2022 – March 2025, on average, more than 75% of the total issued amount was represented by government bonds denominated in RON. When analysing bonds denominated in EUR, it is revealed that the share of government bonds increased from 43% of the total issued amount in EUR in December 2022 to 59% in March 2025.

Total bonds issued amount - Main Market, RON million**Total bonds issued amount - Main Market, EUR million**

Source: BSE – Main Market, monthly reports

In recent years, green financing has become increasingly significant in the local capital market, drawing attention from domestic and international investors, businesses, and local authorities in alignment with Romania's climate goals. Additionally, in March 2024, the Municipality of Resita (RES33E) issued the first green municipal bonds on the local market, and in January 2025, Autonom listed its second sustainability-linked bonds on the Main Market under the ticker AUT29E.

Romanian stock market performance (1/2)

Stock market indices performance vs. Romania's Credit Default Swap (CDS)

A country-specific CDS reflects the perceived default risk of sovereign debt issuers, with its trends influenced by shifts in local economic fundamentals. Traditionally, a country's stock market is regarded as an economic barometer.

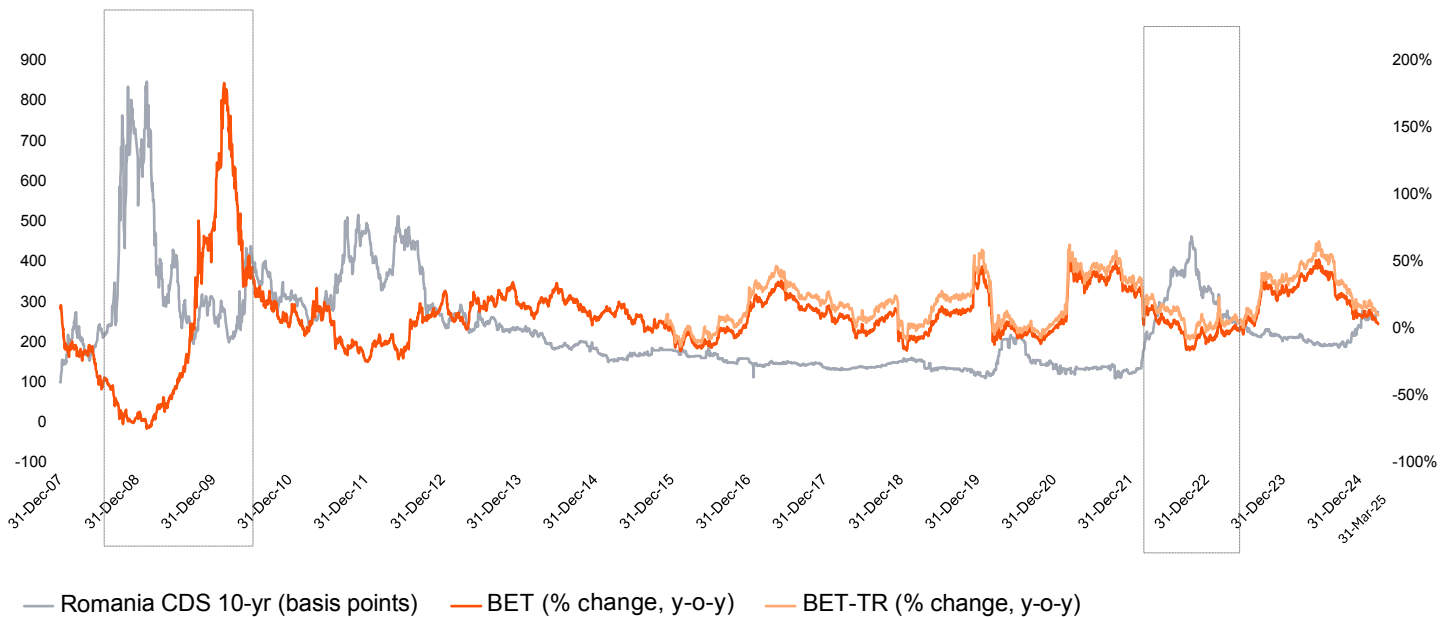
Stock market returns were analysed based on the performance of the BET and BET-TR indices, compared to the Risk Credit Default Swap (CDS). The development of BET, BET-TR and CDS, as depicted in the graph, shows that the BSE indices are sensitive to the country risk, which also influences foreign capital investments.

The data depicted in the graph indicates an inverse correlation between Romanian 10-year CDS and BET and BET-TR indices, over a period with a challenging mix of events:

- **Financial crisis in 2008-2009**, with CDS reaching a maximum of 846 point in February 2009, while BET was falling to a minimum of 1,887 points, following an 80% correction from its 2007 high (10,814 reached in July 2007);
- **Pandemic context in 2020**, with CDS doubling in a 4-month period from 108 in February to 216 in June, while BET posted a 30% correction in March versus previous year-end;
- **The outbreak of war in Ukraine**, which began in February 2022, led to a peak CDS of 461 points in October 2022, while the BET index dropped by 17% y-o-y during the same month.
- **Political uncertainty following elections in November 2024**, leading to an 8% jump of CDS on 25 November 2024, with risk-perception continuing to deteriorate in 2025; CDS reached 273 points on 31 March 2025, compared to 213 points one year ago.



Stock market performance vs. Romania's CDS evolution



Source: S&P Capital IQ

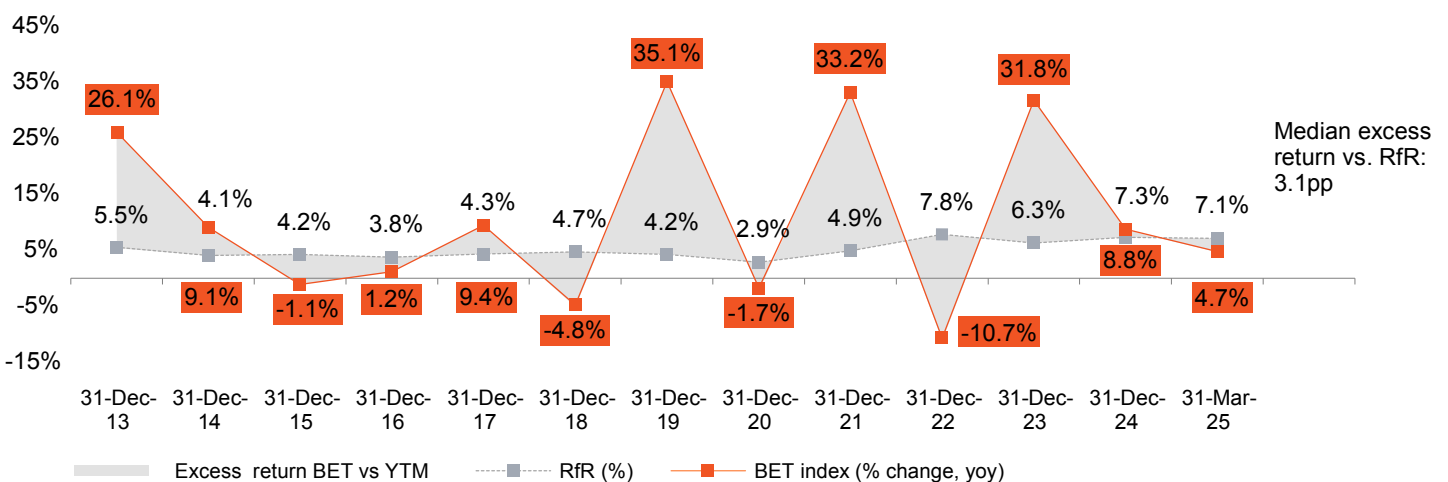
- In order to ensure that its indices are representative and relevant to the stock market, the BSE launched the BET-Total Return index (BET-TR) in September 2014. This index accounts not only for capital gains but also for the dividends paid by constituent companies. The average dividend yield for BET constituent companies was 7.4% in 2024 and 8.1% in 2023, in line with the average dividend yield for all companies on the Regulated market of 7.4% in 2024 and 7.9% in 2023.

The evolution of the BET and BET-TR indices shows increased volatility in Romania's capital market over the past 7 years, with significant gains and periodic corrections. Although the values recorded by the two indices at the end of 2024 and the end of the first quarter of 2025 were above historical levels, their performance places them on a downward trend compared to the peak returns achieved in 2019, 2021, and 2023.

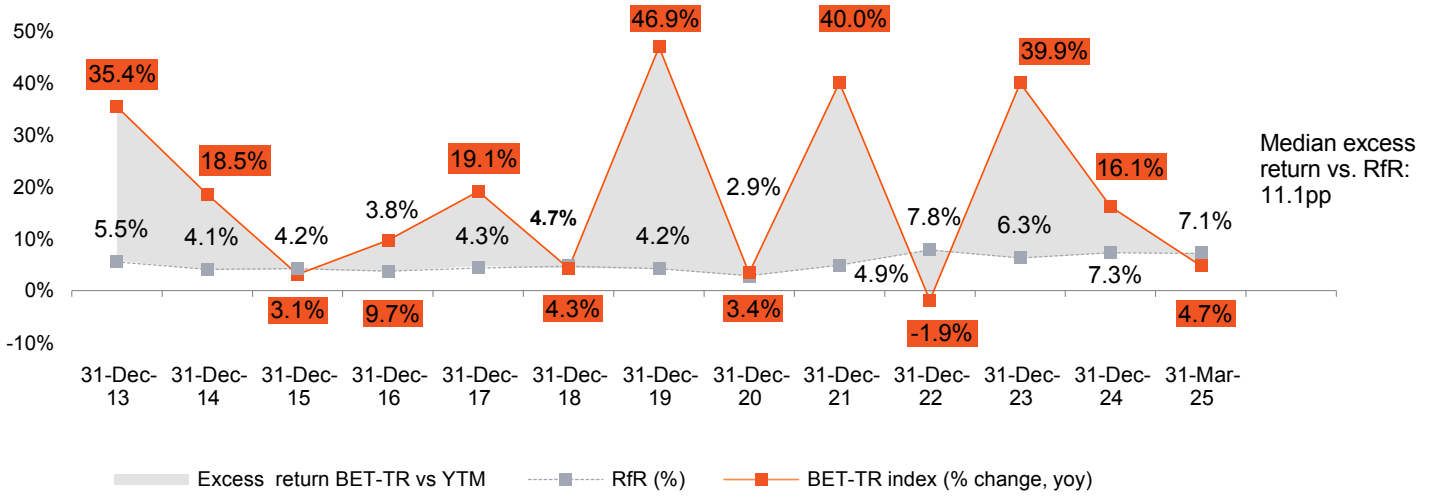
Romanian stock market performance (2/2)

- In light of the above, we performed an analysis of the returns on capital invested in bonds market vs. equity market, focusing on the evolution of the Risk-free Rate (RfR), as approximated by the yields on long-term Romanian Government Bonds denominated in local currency and main BSE indices. The two graphs display the evolution of the yield to maturity of one of the most-traded Romanian bonds (i.e. RO1227DBN011) in comparison with the performance of the two most representative indices, i.e. BET and BET-TR, during the period 2013 – Q1 2025. After reaching a low at the end of 2020 (2.9%), the RfR increased significantly and by the end of 2022 it peaked at 7.8%.
- During the period from 2013 to Q1 2025, the yield on risk-free investments represented by Romanian government bonds in RON fluctuated between 2.9% and 7.8%, with a median of 4.7%. In contrast, the BET and BET-TR indices experienced strong year-over-year fluctuations (BET: declines of up to 11% and increases of up to 35%; BET-TR: a 2% decline in 2022 and increases of up to 40% in other years).
- Following gains of over 30% in 2023, the BET and BET-TR indices showed more modest performance in 2024, with increases of nearly 9% (BET) and 16% (BET-TR), while Romania's risk-free rate exceeded 7% by the end of 2024.
- An analysis of the BET and BET-TR indices against the risk-free rate (RfR) from 2013 to 2024 indicates that the excess return over the risk-free rate fluctuated significantly, yielding negative values in 5 of the 12 years analysed for the BET index, and in 3 years for the BET-TR index. Over the 12-year period analysed, the median excess return over the RfR was 3.1 percentage points for the BET index and 11.1 percentage points for the BET-TR index. The excess return can be regarded as proxy for the return surplus associated with stock market investment vs. the investment in government bonds, thus compensating investors for taking on the relatively higher risk of equity investing. The size of the premium varies depending on the level of risk in a particular portfolio.

Evolution of BET index vs. RfR (%)



Evolution of BET - TR index vs. RfR (%)



Source: S&P Capital IQ, BSE, PwC analysis



ESG factors – investment perspective

In the last couple of years, traditional investment approaches have shifted towards sustainable investments that incorporate Environmental, Social and Governance (ESG) factors. Although ESG has become a “buzzword” in finance and some investors have already decided to apply these non-financial metrics, the ESG factors are not mandatory metrics in financial reporting statements.

ESG factors have gained more importance in recent years for several reasons:

- They help in identifying and mitigating risks that a company may face and provide better indications compared to traditional financial metrics related to companies able to generate superior returns;
- They promote a sustainable business model as companies and investors look at society and the environment in a more responsible way;
- As economies are changing very fast, so too are the business models – in this respect, investors and companies must shift their vision/strategy/objectives from short-term perspectives of risks and returns to sustainable, long-term sustainable business models that generate profitability.

ESG factors are incorporated within a wide range of investing approaches, each including a different set of financial indicators and social metrics. The traditional investment approach takes into account only the financial indicators intended to maximise shareholder profit or value. However, as a result of modern economic dynamics, new approaches have been considered by investors which are now more focused on ESG and societal investments – this type of investments provide returns that are linked to environmental or social benefits (including human and employee rights, gender equality, race, age, social background, etc.).

Incorporating ESG factors in valuing a company has evolved considerably over the past couple of years, with a Value Creation Ecosystem factoring in ESG drivers being developed as a result.

ESG investing is an approach that seeks to incorporate Environmental, Social and Governance factors into asset allocation and risk decisions with the intention of generating sustainable, long-term financial returns. There are several publicly available studies indicating a positive correlation between ESG factors and a company's share price increase.

Macro level	Financial services materiality
<ul style="list-style-type: none"> • Mitigate risk • Apply fiduciary duty • Consider economic perspective • Assess the impact and apply ethics • Analyse client demand perspective • Apply regulatory perspective 	<ul style="list-style-type: none"> • Efficiency and productivity • Reduced risk of fines and state intervention • Reduced negative externalities • Improved ability to benefit from sustainability megatrends

ESG Challenges

- Data availability - disclosure, limited understanding of ESG information
- Modelling - ESG factors have a long-term financial impact and are difficult to quantify and to include in a financial model
- Valuation techniques - adjusting discount rate or cash flows for ESG risks
- Estimating societal challenges, environmental issues and externalities is difficult and at a certain extent may rely only on professional judgement
- The updated 2025 IVS valuation standards include specific requirements for consideration of ESG factors in IVS 104 “Data and Inputs: Appendix”.
- ESG analysis is often qualitative in nature, requiring complex analysis and calibration between the methods used, input data, etc.

ESG initiatives on BSE

Equity markets play a strategic role in the shift towards a more comprehensive ESG reporting framework. Well functioning equity markets enable economic growth via the mobilisation of financial resources and brings together those who need capital for growth with those wanting to invest. In order to have a financial market that is secure, transparent and equitable, regulators should encourage transparency and require listed companies to fulfil ESG requirements. In the last nine years, the BSE has been committed to invest in sustainability and ESG initiatives in order to develop a framework for all listed companies and increase its visibility and attractiveness among local and international investors.

BSE – key ESG milestones



- On March 2015, BSE became a partner exchange to the United Nations Sustainable Stock Exchanges (SSE) initiative, ranking the 19th member to join the initiative globally and the 4th EU exchange alongside Deutsche Borse, London Stock Exchange and Warsaw Stock Exchange. BSE made the first step towards ESG commitment on 15 September 2020 when it launched the Environmental, Social and Governance focused initiative using Sustainalytics' flagship ESG Risk Ratings. This initiative aims encouraging all listed companies to align their business models with ESG practices in order to increase their value for all stakeholders.
- Listed companies on BSE with ESG risk score
 - 2021: 9 companies published their score based on 2021 data (all listed on the Regulated market);
 - 2022: 21 companies published their score based on 2021-2022 data (19 listed on the Regulated market, one listed on MTS, i.e. Norofert and one company with sustainability-linked bond rating on the Regulated market, i.e. Autonom Service).
 - 2023 & 2024: 22 companies published their score based on 2021-2024 data (20 listed on the Regulated market, one listed on MTS, i.e. Norofert and one company with sustainability-linked bond rating on the Regulated market, i.e. Autonom Service).
- The data provided on the BSE Research Hub is centred on five ESG scoring levels based on Sustainalytics methodology, i.e.:



ESG Risk Score - measures the magnitude of a company's unmanaged risks.

Interpretation: a lower score corresponds to a smaller amount of unmanaged ESG risks.

ESG Risk Ranking Score – presents the ranking of the company among other players in the same sub-industry

Interpretation: a higher ranking means better ESG performance compared to similar companies in the Sustainalytics-covered universe.

Exposure - assesses the extent to which a company is exposed to different material ESG issues.

Interpretation: a higher score shows that the company has more exposure to material ESG issues.

Management - management refers to how well a company is managing its relevant ESG issues (programmes, policies, etc)

Interpretation: a higher score shows a better performance in managing ESG risks.

Momentum - measures the evolution of the ESG Risk Score compared to the report issued for the previous period.

Interpretation: a negative momentum score shows an improvement of the ESG risk assessment.

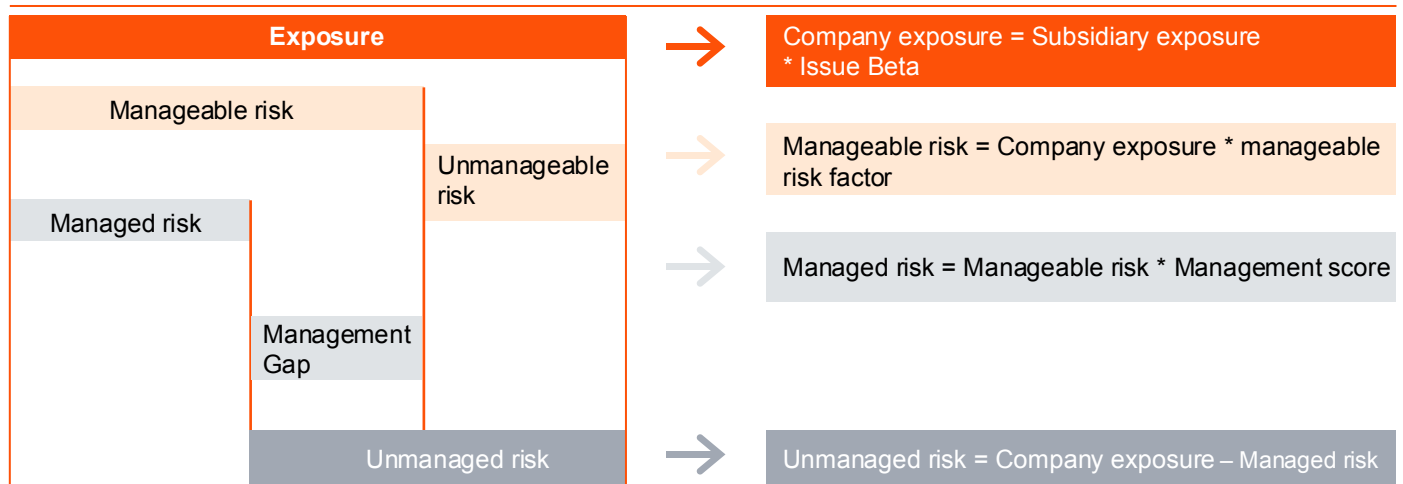
ESG risk rating - Sustainalytics methodology

- Based on Sustainalytics methodology, the ESG Risk Ratings scores are a measure of unmanaged risk (defined as material ESG risk that has not been managed by a company).
- The unmanaged risk includes: (1) unmanageable risk, which cannot be addressed by company initiatives and (2) the management gap which refers to those risks that could potentially be managed by a company.
- The ESG Risk categories based on the scores provided by Sustainalytics falls in the following five categories:
 - negligible (score between 0-10)
 - low (score between 10-20)
 - medium (score between 20-30)
 - high (score between 30-40)
 - severe (score above 40).

Each category captures a level of material financial impacts driven by ESG factors.

- The ESG ratings published by Sustainalytics are designed to provide the relevant data on financially material ESG risks; these ratings are further analysed by investors and embedded in their decision-making process.

Calculating the ESG risk score



Source: ESG Risk Ratings - Methodology Abstract Version 2.1, January 2021

- A company's risk rating is updated annually by Sustainalytics based on the review of:
 - corporate publications and regulatory filings (e.g. Annual Reports and Corporate Sustainability Reports);
 - news and other media;
 - NGO reports/websites;
 - multi-sector information sources (e.g. Global Reporting Initiative, Carbon Disclosure Project reports);
 - company feedback;
 - assessment of management indicators o Includes a review of ESG controversies;
 - processing any issuer feedback on draft ESG report;
 - Quality and peer review.

BSE listed companies with ESG score – only Regulated Market

Listed companies with ESG risk score – BSE Regulated market

#	Company name	Sector	ESG score data	ESG risk score			Rank	Risk category			Evolution vs. 2023
				2022	2023	2024		2022	2023	2024	
1	OMV Petrom	Oil & gas	25-Oct-24	22.5	24.6	28.9	6%	Medium	Medium	Medium	No change
2	Antibiotice	Healthcare	12-Apr-23	24.5	22.2	22.2	6%	Medium	Medium	Medium	No change
3	Nuclearelectrica	Electricity	14-Oct-24	23.0	23.0	17.9	11%	Medium	Medium	Low	↓
4	BRD - Group Societe Generale	Financial	2-Nov-23	15.4	14.4	14.4	11%	Low	Low	Low	No change
5	Teraplast	Materials	7-Apr-25	22.7	23.4	24.5	34%	Medium	Medium	Medium	No change
6	SNTGN Transgaz	Oil & gas	17-Nov-23	27.3	27.6	27.6	17%	Medium	Medium	Medium	No change
7	Farmaceutica Remedia	Healthcare	22-Dec-21	16.7	16.7	16.7	33%	Low	Low	Low	No change
8	Sphera Group	Consumer	26-Oct-22	18.7	18.7	18.7	2%	Low	Low	Low	No change
9	Bursa de Valori București	Financial	3-May-24	23.1	23.1	23.8	74%	Medium	Medium	Medium	No change
10	Rompetrol Well Services	Oil & gas	21-Nov-23	19.2	16.9	16.9	7%	Low	Low	Low	No change
11	Banca Transilvania	Financial	28-Nov-24	17.0	17.0	14.9	12%	Low	Low	Low	No change
12	Alro Slatina	Materials	1-Sep-22	29.4	29.4	29.4	28%	Medium	Medium	Medium	No change
13	Societatea Energetică Electrica	Electricity	6-Nov-24	29.9	29.9	33.6	57%	Medium	Medium	High	↑
14	One United Properties	Industrial	3-Feb-25	20.0	18.4	25.2	88%	Medium	Low	Medium	↑
15	Impact Developer & Contractor	Industrial	10-Oct-22	28.7	18.7	18.7	29%	Low	Low	Low	No change
16	Romcarbon	Materiale	1-Sep-22	17.6	17.6	17.6	44%	Low	Low	Low	No change
17	Aquila	Industrial	13-Apr-23	22.4	22.4	22.4	54%	Medium	Medium	Medium	No change
18	Transport Trade Services	Industrial	6-Nov-24	24.8	24.8	19.8	23%	Medium	Medium	Low	↓
19	Electromagnetica	Industrial	1-Sep-22	18.1	18.1	18.1	76%	Low	Low	Low	No change
20	Romgaz	Oil & gas	24-Mar-25	n.a.	29.0	42.4	36%	n.a.	Medium	Severe	↑

Note: Ratings are sourced from Sustainalytics are classified into five risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+);

Note: [1] ESG risk score evolution between 2024 and 2023 (for those companies with grey color it means that no updated ESG reports were available)

[2] Real Estate sector has a very low degree of representation on the local capital market, with only two companies listed - One United Properties S.A and Impact Developer & Contractor S.A.; due to the reduced number of listed companies on this sector, the aforementioned companies were considered part of the industrial sector

Conclusion - ESG Ranking

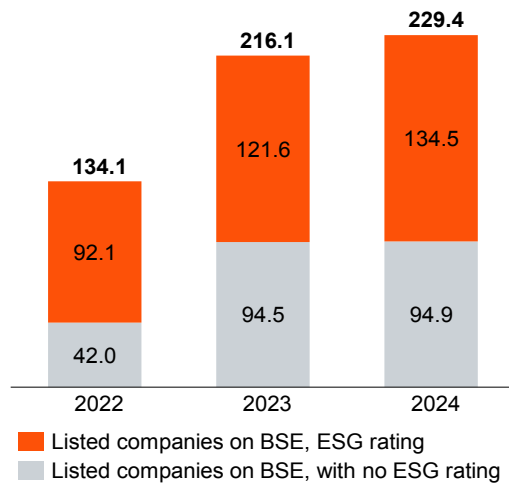
- Among the 20 companies listed with an ESG score, 9 have updated their ESG scores during 2024 - 2025.
- In 2024, the ESG risk level for Societatea Energetică Electrica and Romgaz increased from Medium to High, and Severe, respectively. Conversely, Nuclearelectrica and Transport Trade Services improved their ESG scores, moving from Medium to Low.

Source: BSE Research HUB - <https://bvbresearch.ro/ReportDashboard/ESGScoreswww.sustainalytics.com>

PwC Analysis

Listed companies with ESG risk score – representation on BSE's Regulated market

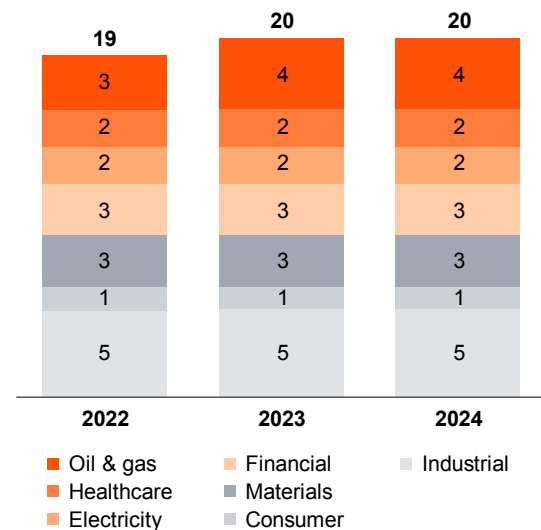
Market capitalization of all listed companies on Regulated market, split by ESG Risk score (RON bn)



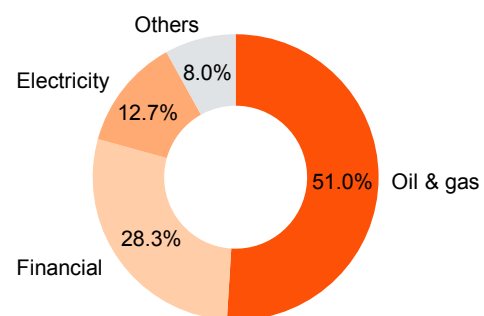
*) : Market capitalisation sourced from BSE official website; Erste Group was excluded because is listed primary on Vienna Stock Exchange

Source: BSE official website, BSE Research HUB, PwC Analysis

Sectorial representation, all listed companies with ESG risk score



Top sectors, % market capitalization of companies with ESG score 2023



Key remarks 2024:

The 4 companies with an ESG score in the oil and gas sector plus the 3 companies in the financial services sector and the 2 companies in the energy sector had a cumulative market capitalization of RON 123.7 billion (~ 92% of the total capitalization of RON 134.5 billion attributable to all listed companies with an ESG score on BVB).

Listed companies valuation multiples

With three new entrants on the regulated market and two companies delisting in 2024, the total market capitalization grew by over 6% in 2024, reaching RON 229 billion, following a strong growth of 61% in 2023 due to a higher increase in Hidroelectrica's market capitalization. The BET index posted an increase of over 8% during 2024, despite persistent economic and geopolitical uncertainties (e.g. large budget deficit, still high inflation and interest rates, war in Ukraine and Gaza, increased energy prices).

Top 3 sectors by market capitalisation (% of total market cap) as at 31 December 2024

- Electricity (34%)
- Oil & Gas (31%)
- Financial Services (20%)

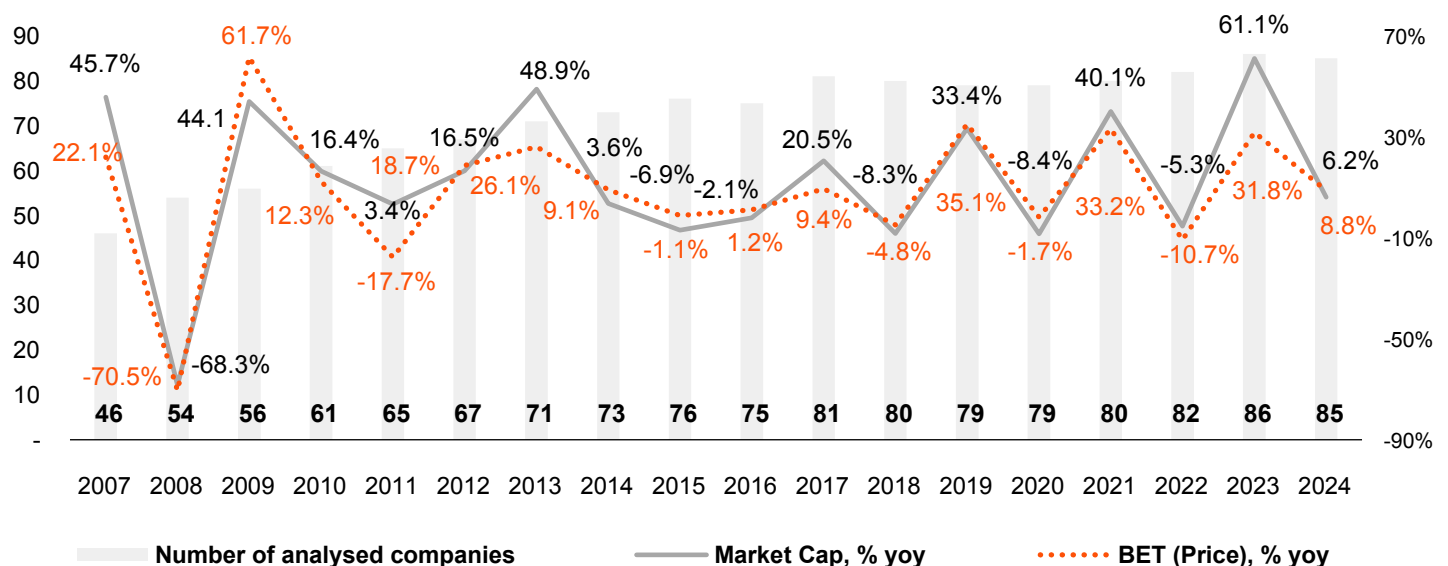
Top 3 sectors by value traded (% of total value traded) as at 31 December 2024

- Financial Services (34%)
- Electricity (29%)
- Oil & Gas (18%)

Market cap as at 31 December 2024 and value traded in 2024 - by sectors

Sector	No. of companies	Market capitalisation (RON m)	Total traded value (RON m)	Total traded value as % of market capitalisation
Electricity	5	77,099	4,684	6.1%
Oil & gas	8	71,424	2,973	4.2%
Financial	12	45,813	5,504	12.0%
Materials	12	6,867	264	3.8%
Industrial	27	6,441	768	11.9%
Healthcare	6	8,801	737	8.4%
IT&C	4	7,473	541	7.2%
Real estate	4	2,915	644	22.1%
Consumer	7	2,596	264	10.2%
Total	85	229,430	16,379	7.1%

Number of analysed companies, evolution of market capitalisation and BET performance during 2007 - 2024



Note: Market capitalisation as per S&P Capital IQ for the period 2007 – 2015, and as per BSE for 2016 – 2024, respectively.

Key facts

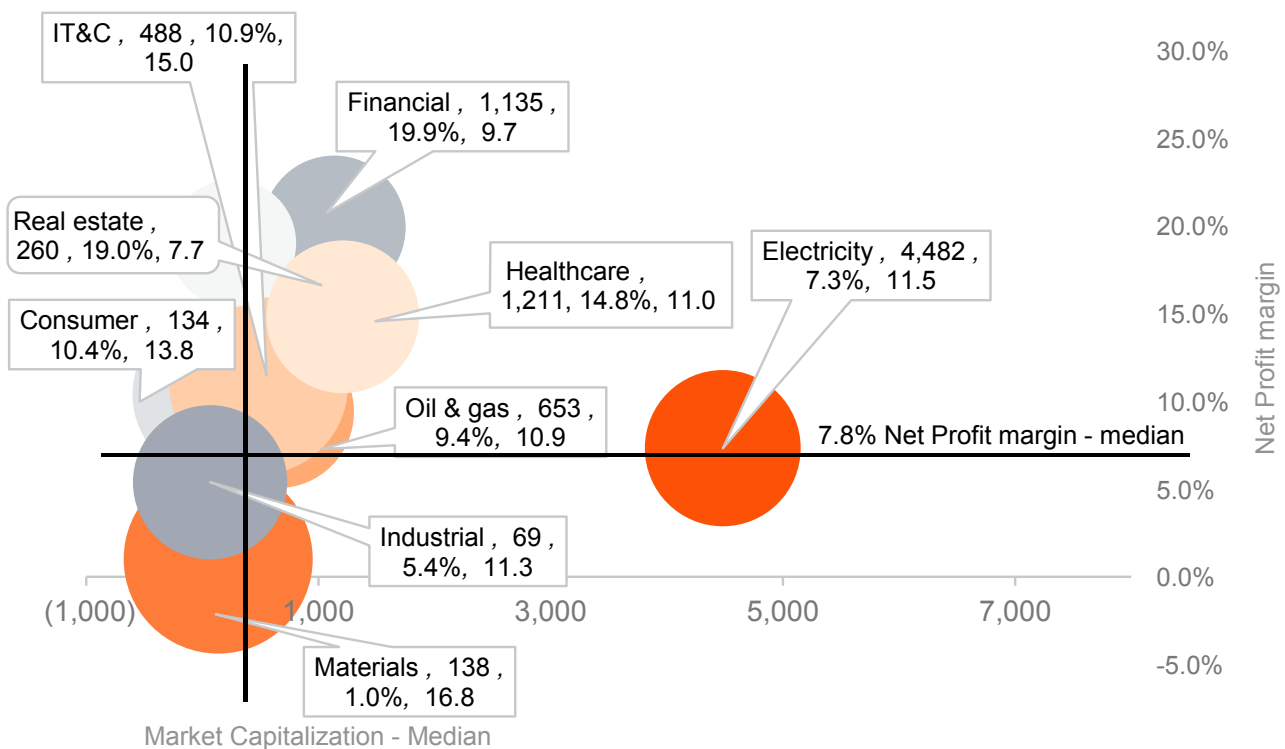
- The analysis conducted on the BSE regulated segment indicates a high concentration of listed issuers, with the top five companies accounting for 68% of the total market capitalisation as at 31 December 2024. The top five companies are active in Electricity (e.g. Hidroelectrica), Oil & Gas (e.g. OMV Petrom, RomGaz) and Financial Services (e.g. Banca Transilvania and BRD - Groupe Société Générale S.A.) sectors.
- BSE flagship index, BET, is a barometer for the capital market performance, as confirmed by the strong correlation coefficient of 0.91 between total market capitalisation and the index performance over the last 18 years. As at 31 December 2024, the BET index increased to 16,721 points, posting a 8.8% growth compared to the previous year.
- The number of analysed listed companies fluctuated over the period 2007 – 2024 as a result of the suspension and / or delisting of some of the companies included in the study but also new listings (IPOs) and transfers from MTS. The current edition covers the analysis of 85 companies, grouped in nine sectors of activity, primarily listed on the BSE main segment (Erste Group was excluded from the analysis as its primary listing is on a different exchange - Vienna Stock Exchange).
- The market capitalisation of the 85 companies analysed for 2024 was RON 229 billion, up by 6% vs. 2023 (the highest level recorded in the past 18 years).



Listed companies' valuation multiples (cont'd)

In 2024, the Electricity sector recorded the highest market capitalisation (RON 77 billion), followed by Oil & gas sector (RON 71 billion) and Financial services sector (RON 46 billion). The highest median market capitalisation (RON 4.5 billion) was recorded by the Electricity sector, while the lowest by the Industrial sector (RON 69 million). The highest median P/E multiple was reported by Materials sector (P/E of 17x) while the lowest by the Real estate sector (P/E of 8x).

2024 sector snapshot



Note: label information: Sector, Market capitalisation median RON m, Net profit margin, P/E median

The market capitalisation of companies on the Regulated market ranged from RON 1.7 million (Condmag S.A.) to RON 54,876 million (Hidroelectrica S.A.), with a median value of RON 201 million, as at 31 December 2024.

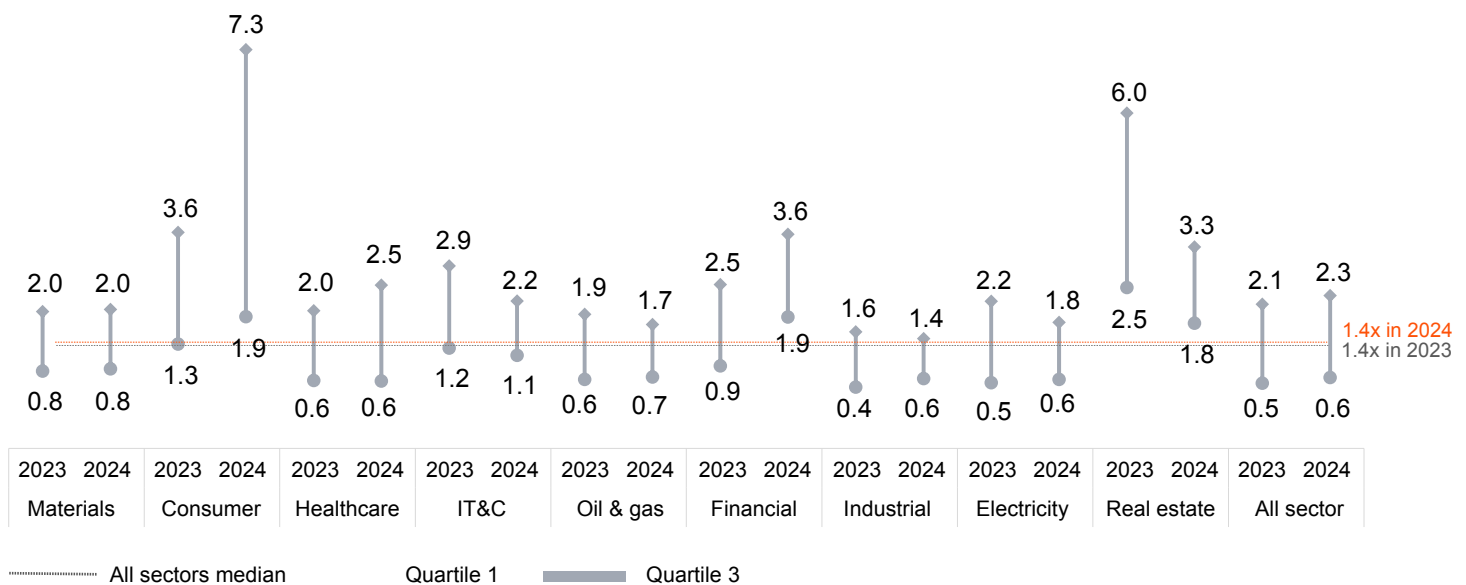
Net profit margin observed on the local capital market ranges from 2% (first quartile) to 19% (third quartile), with a median value of 8%.

Source: S&P Capital IQ, BSE website, PwC analysis

Analysed sectors and number of companies	Top listed companies by market capitalisation in 2024	Sector net profit margin and P/E multiple
Electricity (5 companies)	Hidroelectrica Nuclearelectrica Societatea Energetica Electrica	Net profit margin: 4% – 35% (quartiles), median 7% P/E multiple: 7x – 13x (quartiles), median 12x
Oil & Gas (8 companies)	OMV Petrom SNGN Romgaz SNTGN Transgaz	Net profit margin: 7% – 13% (quartiles), median 9% P/E multiple: 8x – 14x (quartiles), median 11x
Financial services (12 companies)	Banca Transilvania BRD - Groupe Société Générale Longshield Investment Group	Net profit margin: 17% – 35% (quartiles), median 20% P/E multiple: 8x – 17x (quartiles), median 10x
Industrial (27 companies)	Aquila Part Prod Com Aerostar SOCEP	Net profit margin: 1% – 11% (quartiles), median 5% P/E multiple: 7x – 14x (quartiles), median 11x
Materials (12 companies)	Chimcomplex Borzesti Teraplast Alro	Net profit margin: 0.3% – 2% (quartiles), median 1% P/E multiple: 16x – 18x (quartiles), median 17x
Healthcare (6 companies)	Zentiva Medlife Antibiotice	Net profit margin: 1% – 23% (quartiles), median 15% P/E multiple: 9x – 14x (quartiles), median 11x
IT&C (4 companies)	Digi Communications Arobs Transilvania Software Safetech Innovations	Net profit margin: 4% – 20% (quartiles), median 11% P/E multiple: 10x – 23x (quartiles), median 15x
Real estate (4 companies)	One United Properties Impact Developer & Contractor Mecanica Fina	Net profit margin: 10% – 21% (quartiles), median 19% P/E multiple: 7x – 14x (quartiles), median 8x
Consumer (7 companies)	Sphera Franchise Group Purcari Wineries Turism, Hoteluri, Restaurante Marea Neagra	Net profit margin: 6% – 16% (quartiles), median 10% P/E multiple: 11x – 16x (quartiles), median 14x

Listed companies valuation multiples: Revenue & EBITDA multiple analysis

Revenue multiple by sector, 2023 - 2024

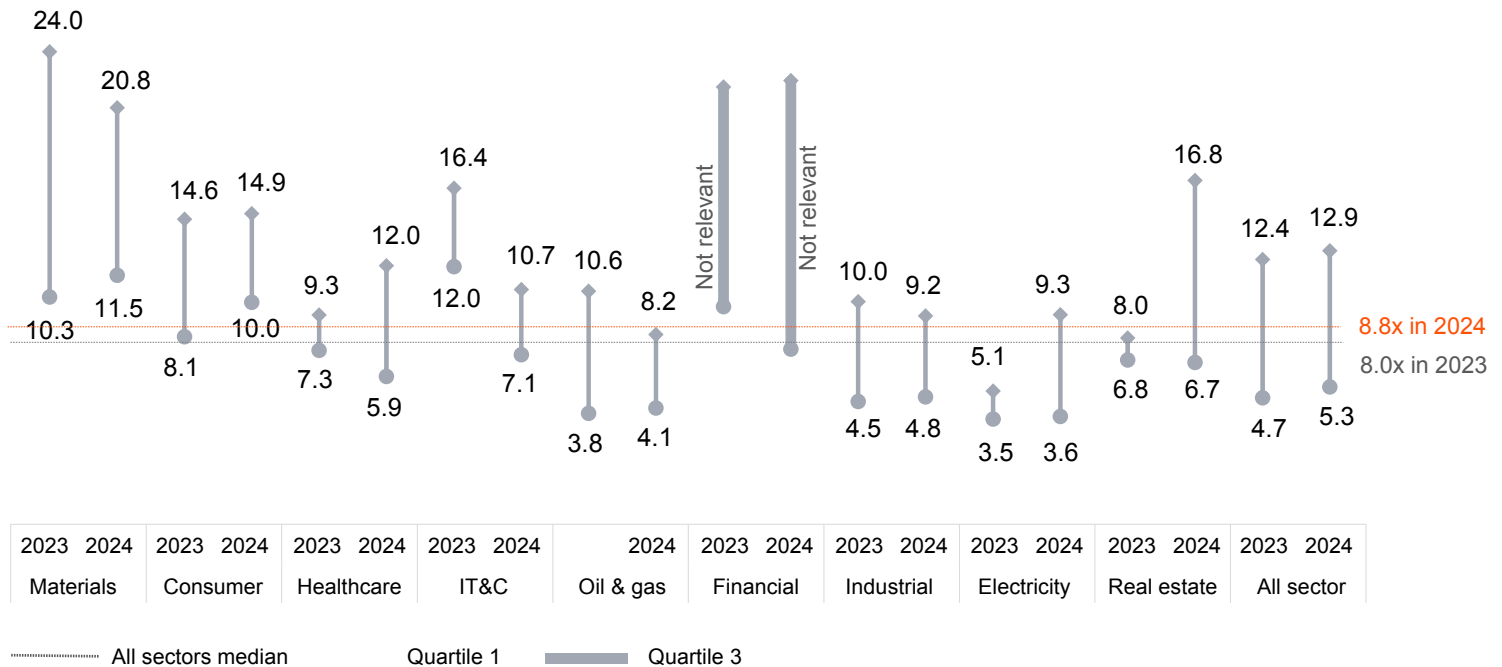


Note: IT&C and Real estate sectors were included for the first time in the analysis in 2023.

Revenue multiple

- The aggregated median for Revenue multiple in 2024 is 1.4x, which is equal to the level observed in 2023
- In 2024, the top-performing sectors were Real estate, Consumer and Financial services with a median multiple of 2.4x and 2.1x, respectively, whereas the lowest revenue multiple was recorded by Industrial sector, with a median of 0.8x
- The upper limit of Revenue multiple strongly increased for Consumer and Financial services sectors, while for Real estate and electricity sectors decreased
- Revenue multiple is quite a reliable metric as it is less volatile than P/E or EBITDA multiples and less susceptible to accounting manipulation; it is highly used by distressed, start-up and small companies with a low or negative EBITDA. Yet, it should be used with caution in cases where some products / services intermediaries could count revenue as either the commission charged or the value of products / services they intermediate

EBITDA multiple by sector, 2023 - 2024

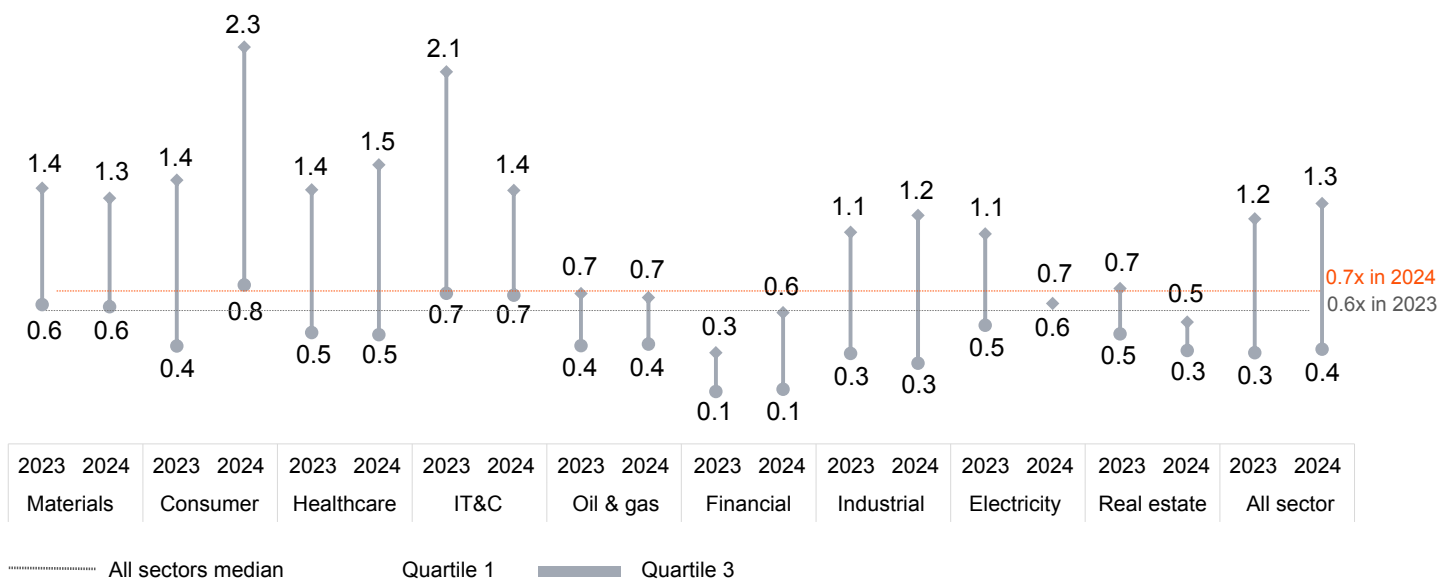


EBITDA multiple

- The median EBITDA multiple increased in 2024 vs. 2023, with Electricity, Real estate and IT&C sectors posting the highest volatility. Consumer is the sector with the most stable median EBITDA multiple (13.1x in 2023, 13.5x in 2024)
- In 2024, the top-performing sectors were Materials and Consumer, with median multiples of 14.9x and 13.5x, respectively, whereas the lowest EBITDA multiple was recorded by the Industrial and Oil & Gas sectors, with a median of 6.2x and 5.2x, respectively.
- The upper limit of EBITDA multiple steeply declined for Materials, IT&C and Oil & gas and grew for Industrial, Healthcare, Electricity and Real estate sectors
- This multiple is not meaningful for the Financial services Services sector as it is difficult to isolate the financing requirements of a financial institution from its wider operational activities
- It can be used to directly compare companies operating in the same industry, regardless of their debt level, and it is not affected by accounting choices regarding amortisation and depreciation
- EBITDA is a good proxy for cash, but its main drawback is that it cannot be used for comparisons across industries, given the variations in capital expenditure requirements

Listed companies valuation multiples: Total assets and Net assets multiple analysis

Total assets multiple by sector, 2023 - 2024

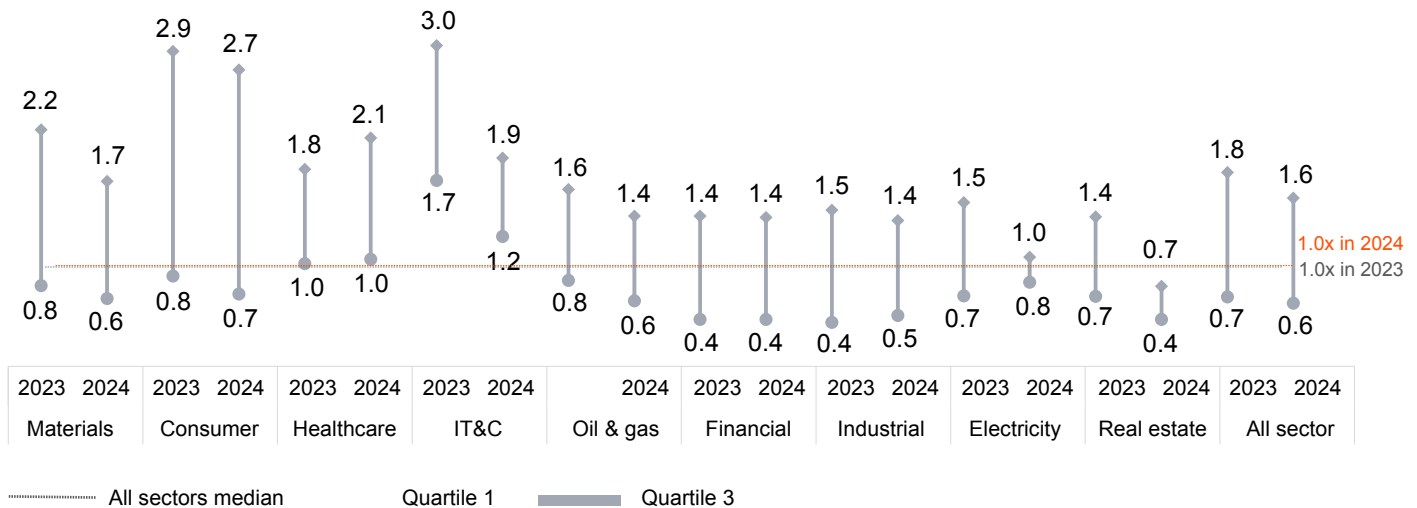


Note: IT&C and Real estate sectors were included for the first time in the analysis in 2023.

Total assets multiple

- The aggregated median for Total assets multiple in 2024 is 0.7x, slightly above the level observed in 2023 (0.6x)
- In 2024, the top-performing sectors were Consumer and Healthcare, with median multiples of 1.6x and 1.3x, respectively, the only sectors with median Total assets multiples of over 1x
- Both in 2023 and 2024, the lowest multiple was recorded in the Financial services sector, with a median of 0.2x in both years.
- The upper limit of Total assets multiple increased for Consumer, Healthcare, Financial services and Industrial sectors, while for IT&C and Electricity sector the upper limit almost halved.
- Total assets multiple is especially relevant for capital-intensive sectors, but should be applied with caution in the case of companies with significant intangible assets, as presumably they do not fully capture the future growth opportunities

Net assets multiple by sector, 2023 - 2024



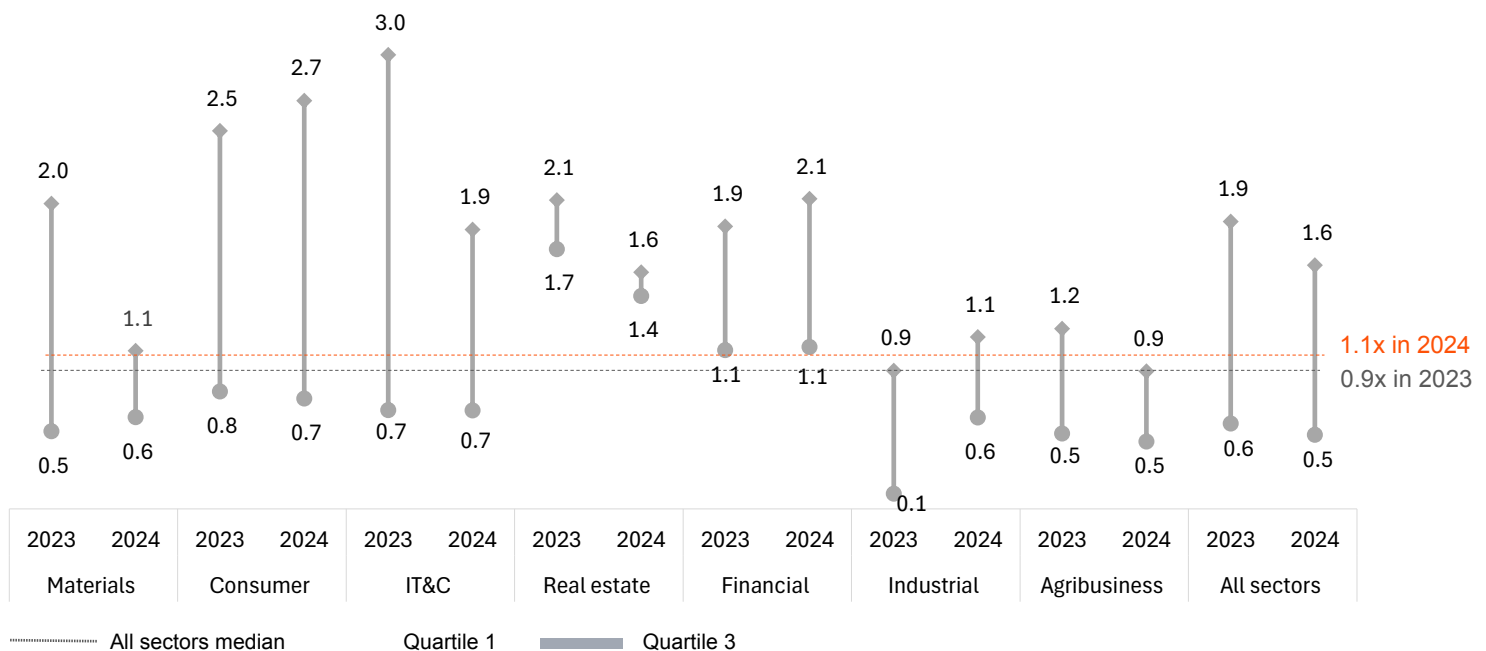
Net assets multiple (P/BV)

- The aggregated median for Net assets multiple in 2024 was 1.0x, which is equal to the level observed in 2023
- In 2024, the sectors posting the highest P/BV multiples, above 1.0x, were Healthcare (1.7x), IT&C (1.6x) and Consumer (1.5x), while the sectors with the lowest multiples were Financial services and Industrial, with a median multiple of 0.6x and 0.9x respectively. For Oil & gas and Electricity sectors, the median P/BV multiple was 1.0x
- The upper limit of Net assets multiple clearly decreased for IT&C, Electricity, Industrial, Oil & Gas, Real estate, Consumer and Materials sectors, while for the Financial services sector remained approx. the same
- Net assets multiple is especially relevant for the financial services and real estate sectors. This multiple can be used to compare companies operating within the same industry and should be used with caution for the companies with significant intangible assets

Listed companies on BSE AeRO premium segment valuation multiples

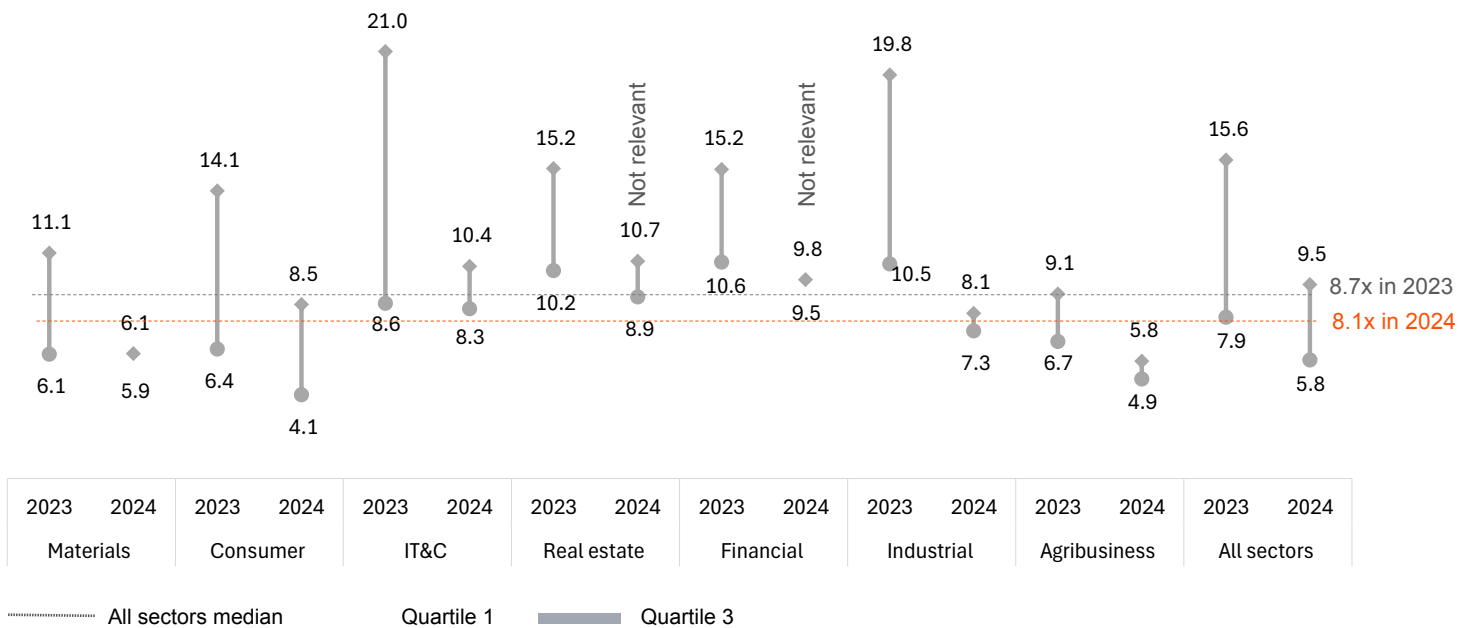
AeRO Premium segment of BSE includes 49 companies with market capitalisation as at 31 December 2024 between RON 2m and 308m, and an average of RON 64m, significantly below the market capitalisation of companies on the BSE's main market. As at 31 Dec 2024, there were only three companies with market capitalisation of over RON 200 million in Agribusiness and Consumer sectors: Grup Serban Holding (RON 308m), DN Agrar Group (RON 233m) and Prodvalco (RON 208m).

Revenue multiple by sector, 2023 - 2024

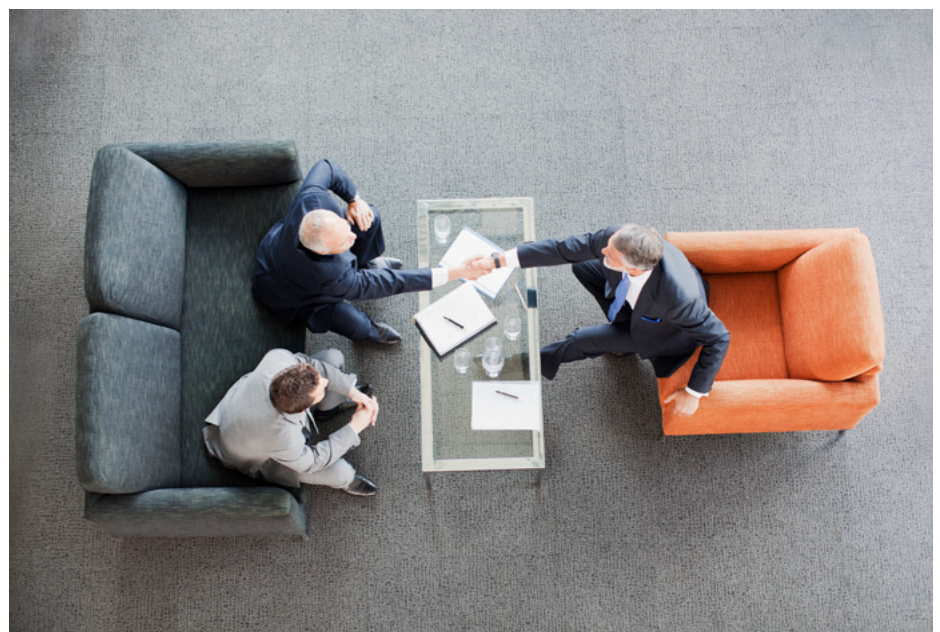


- In 2024, the aggregated median for Revenue multiple was 1.1x, below the aggregated median multiple of companies on BSE main market of 1.4x
- The Financial services Sector was the top performer, with a median revenue multiple of 1.8x
- The lowest revenue multiple was recorded by the Agribusiness sector, with a median of 0.5x
- In 2024, the upper limit of Revenue multiple strongly increased for Consumer, Financial services and Industrial sectors, while for Materials, IT&C, Real estate and Agribusiness sectors decreased

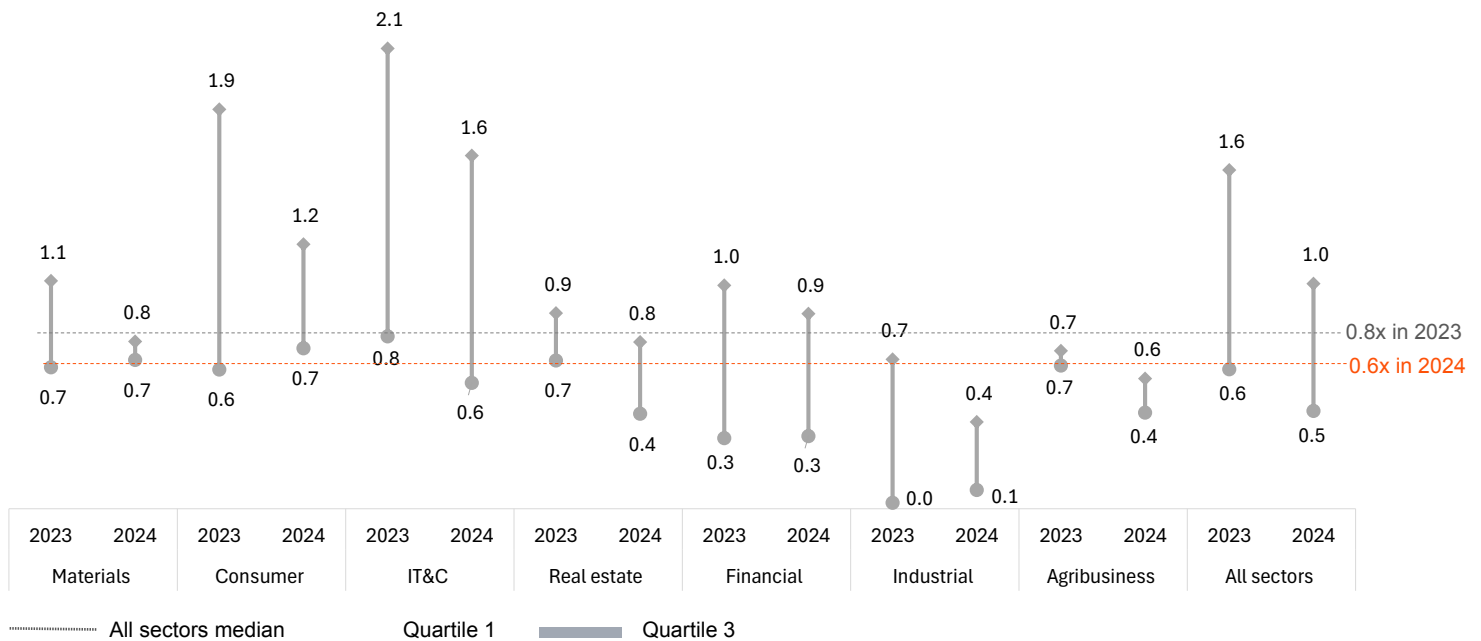
EBITDA multiples by sector, 2023 - 2024



- In 2024, the aggregated median for EBITDA multiple was 8.1x, below the 8.8x aggregated median multiple of companies on BSE main market and the level observed in 2023 (8.7x)
- The top performing sector was Real estate, with a median multiple of 9.8x, while the lowest EBITDA multiple was recorded by the Agribusiness sector, with a median of 5.4x
- The upper limit of EBITDA multiple steeply declined for all analysed sectors.



Total assets multiples by sector, 2023 - 2024



- In 2024, the aggregated median for Total assets multiple was 0.7x, below level observed in 2023 (0.8x) and the aggregated median multiple of companies on BSE main market of 1.0x
- Top-performing sectors were IT&C and Consumer, with a median multiple of 1.0x
- The lowest multiple was recorded by the Financial services and Industrial sectors, with a median multiple of 0.4x and 0.3x, respectively.
- The upper limit of the Total assets multiple for the agribusiness sector remained approximately the same, while it decreased for the other sectors.

Listed companies' valuation multiples

In 2024, the P/E multiples recorded increases for most sectors, with the Industrial and Materials sectors reaching their 5-year maximum.

P/E Multiple – 2024

- The aggregate median P/E was 11.7x in 2024 – above the average of the last 17 years (10.2x).
- The Materials and IT&C display the largest median P/E multiples of all analysed sectors, i.e. 16.8x and 15.0x in 2024
- Real estate and Financial services sectors had the smallest median P/E multiples of all analysed sectors, i.e. 7.7x and 9.7x
- P/E is a very popular multiple among investors
- One limitation of the P/E multiple is that income is subject to non-monetary effects such as depreciation and amortization, which may vary depending on the chosen accounting policy.

Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Volatility 2008 - 2024	Minimum 2020 - 2024	Maximum 2020 - 2024
Consumer	17.2	11.8	13.3	16.8	11.9	17.3	20.4	20.8	13.5	14.9	13.3	13.4	13.2	12.6	14.3	14.5	11.8	13.8	19%	11.8	14.5
Financial services	18.0	3.6	7.0	12.5	5.4	7.1	11.4	10.4	8.9	12.5	9.3	7.6	7.5	15.2	8.8	8.5	7.2	9.7	32%	7.2	15.2
Oil & Gas	16.4	8.1	10.3	8.8	6.8	6.1	10.3	9.3	8.8	9.5	11.7	7.5	10.0	15.4	14.4	6.9	12.8	10.9	26%	6.9	15.4
IT&C																	17.5	15.0		15.0	17.5
Real estate																	16.1	7.7		7.7	16.1
Healthcare	25.4	10.2	18.1	12.8	11.0	10.1	11.9	12.1	18.4	11.5	10.8	12.1	15.5	16.2	13.6	9.7	10.6	11.0	22%	9.7	16.2
Industrial	33.8	7.6	8.6	9.8	15.3	6.9	12.1	7.8	6.9	8.9	10.2	7.8	8.1	9.3	9.9	6.1	8.7	11.3	25%	6.1	11.3
Materials	24.1	5.8	34.5	16.5	9.6	11.4	8.4	7.3	5.7	10.7	9.8	9.0	8.9	9.7	16.8	8.1	12.6	16.8	57%	8.1	16.8
Electricity	38.4	9.1	2.7	25.0	9.3	19.4	5.6	13.3	11.6	12.5	15.9	14.3	12.9	11.0	13.7	3.9	7.5	11.5	47%	3.9	13.7
All sectors	25.4	7.0	10.3	12.7	9.5	8.0	11.6	9.8	9.6	10.9	11.2	9.0	10.5	10.9	13.2	7.7	10.3	11.7	17%	7.7	13.2
GDP growth	7.2%	9.3%	-5.5%	-3.9%	1.9%	2.0%	0.3%	4.1%	3.2%	2.9%	8.2%	6.0%	3.9%	-3.7%	5.7%	4.1%	2.4%	0.8%	162%	-3.7%	5.7%
Industrial production growth	10.1%	1.9%	-5.0%	4.9%	7.9%	2.6%	7.4%	6.3%	3.0%	3.1%	7.9%	3.5%	-2.3%	-9.2%	7.1%	-1.8%	-3.0%	-1.5%	239%	-9.2%	7.1%

Main findings

- The Consumer and Healthcare sectors seem to be the most stable ones, with a lowest P/E multiple volatility (deviation from the average), while the Materials and Electricity sectors recorded the highest volatility of the P/E multiple (consideration given to rising prices for electricity and materials in the last few years).
- The Financial Services sector P/E multiple was close to the average of the last 17 years (10.2x).
- The P/E multiples of Electricity and Financial services sectors recorded the highest increase in 2024 compared to 2023.
- The financial multiples reached their highest levels in 2007, reflecting the general optimism of the market at the time; in the volatility analysis, the year 2007 was excluded.

Listed companies valuation multiples

Key highlights

The overall median EBITDA multiple for companies listed on AeRO Premium is below the level observed on the BSE main market. Analysed by sectors, only Industrial displays higher multiple on AeRO Premium vs. BSE main market, while IT&C is equal.

On the AeRO Premium market, the best represented sectors are IT&C and Consumer, with a total of 25 companies, out of the total of 49 listed on this market.

The P/E multiple in 2024 was above the 17-year average only for Oil & Gas and Materials sectors

The median market capitalisation on AeRO Premium is slightly below the first quartile of the market capitalisation on BSE main market.

Only three companies traded on AeRO Premium have a market capitalisation higher than the median market capitalisation on the BSE main market.

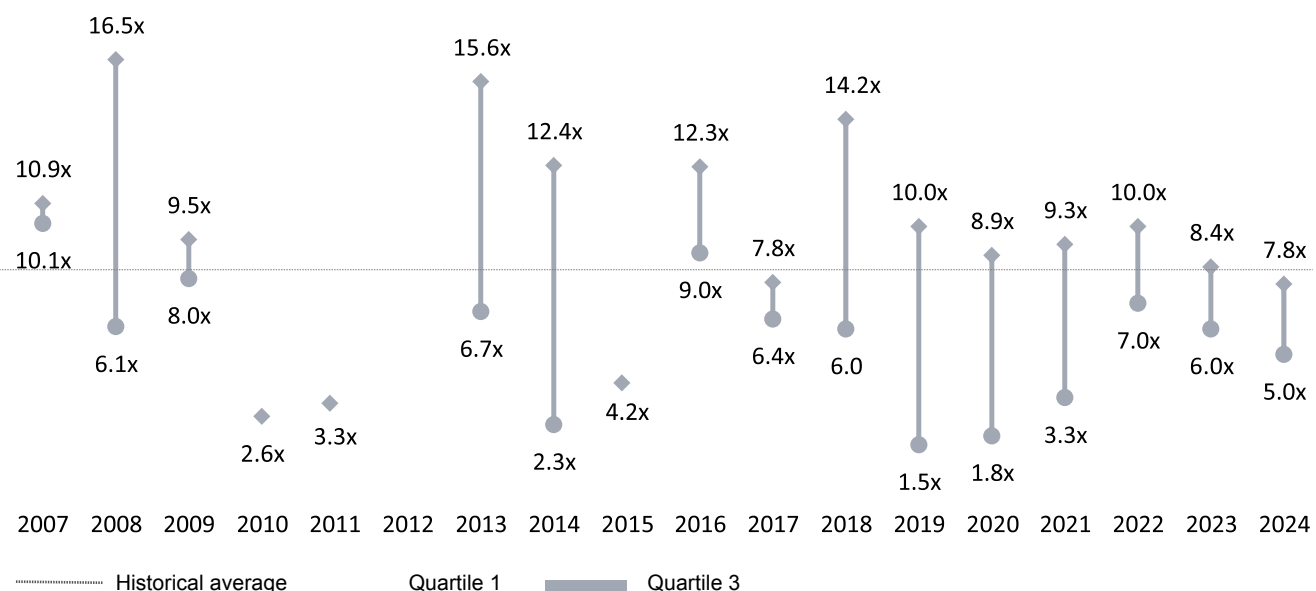
The largest listed companies on the BSE main market are from Electricity, Oil & Gas and Financial services sectors, while the smallest are from the Industrial sector.

M&A valuation multiples

Based on data sourced from Mergermarket, ISI Emerging Markets, S&P Capital IQ and a PwC internal database, approximately 2,040 transactions were disclosed over the period 2007 – 2024, for domestic companies operating in the following sectors: Industrial, Consumer, Healthcare, Information Technology & Communications (IT&C), Materials, Financial services, etc. Furthermore, the screening was adjusted to include only those transactions with: (1) disclosed deal value, and (2) robust financial information available. **This study is therefore based on a set of 758 selected transactions, including 510 deals covering the period 2007 – 2022 (deals extracted from S&P Capital IQ and ISI Emerging Markets or obtained based on individual research of the target), 150 transactions closed in 2023 and 98 deals closed in 2024 (data was sourced from S&P Capital IQ, Mergermarket and ISI Emerging Markets).**

Outliers were excluded from the initial screening in order to avoid distortions in the sample extract.

EV/EBITDA multiple



Source: S&P Capital IQ, ISI Emerging Markets, Mergermarket, PwC Analysis

EBITDA multiple analysis

- The average EBITDA multiple in 2024 was 6.5x, slightly below the historical average (7.0x).
- The highest average EBITDA multiples were recorded in 2008 and 2013 (11.2x).
- The lowest EBITDA multiples were recorded in 2010 (2.6x) and 2011 (3.3x).
- Year 2012 was excluded from the analysis due to the lack of reliable information.

Note: The above graph depicts solely the transactions included in this analysis; selection criteria were based on the availability of data and the robustness of the financial information.

General considerations about the EBITDA multiple

EBITDA multiple is not meaningful for the Financial services sector because it is difficult to isolate the financing requirements of a financial institution from its wider operational activities. It can be used to compare companies within the same industry regardless of their debt level and it is not affected by accounting choices regarding amortisation and depreciation. However, attention should be paid if companies are applying different accounting standards or when comparing EBITDA multiple before and after 2019, when IFRS 16 – Leases came into effect.

EBITDA is a good proxy for cash, with the drawback that it cannot be used for comparisons across industries, due to variations in capital expenditure requirements.

Authors



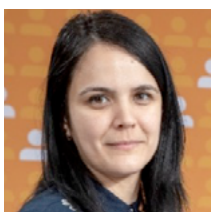
Sorin Petre, CFA

Partner, Valuation and Economics and leader of the Business Restructuring Services
sorin.petre@pwc.com



Cristina Oacă, CFA

Senior Manager, Valuation and Economics
cristina.oaca@pwc.com



Elena Ene

Senior Manager, Valuation and Economics
elena.ene@pwc.com



Thank you