

PE RO: Premier Energy to acquire Evryo/DEO for ~EUR 700m, entering regulated electricity distribution in Romania

* **PE RO:** Premier Energy has signed an agreement to acquire the Evryo Group in Romania, including Distribuție Energie Oltenia (DEO), through the purchase of 100% stakes in Felix Distribution Holdings and Evryo Power. DEO operates the third-largest electricity distribution network in Romania, with ~80,000 km of network and ~1.5m customers, providing a sizeable regulated footprint in the southwestern region. The transaction value is ~EUR 700m, broadly in line with the book value of the business. Financing is expected to be structured via a bridge-to-bond solution, with the company in advanced discussions for a potential bond issuance to refinance part or all of the acquisition. The transaction is subject to shareholder approval (likely at the 10 June 2026 GGM) and customary regulatory clearances, with closing expected in 2H26.

Our view: We see the transaction as a transformational step, effectively completing Premier Energy's integration across electricity generation, distribution and supply in its core Romanian market. At ~EUR 700m, the deal represents ~65% of Premier Energy's current market capitalisation (~EUR 1.1b), underlining its material scale and potential to reshape the group's financial and earnings profile. While the proposed bond financing implies a step-up in leverage, this is broadly consistent with the cash flow profile of regulated networks. The transaction, described as broadly in line with book value, appears consistent with a RAB-based valuation framework, where book equity typically tracks the underlying regulated asset base for distribution assets. We estimate an implied EV/EBITDA multiple around 5.0x for the transaction, compared to 5.9x for Electrica SA based on 2025 results and current market cap, while the implied EV/RAB multiple stands close to 1.0x, compared to 1.6x for Electrica | **POSITIVE**