

# Private Investment in Infrastructure in Romania

28 January 2020

e-INFRA



# E-INFRA

5 companies, 3 sectors, 600 people, EU-wide

## Telecom Infrastructure



Owns and operates the longest neutral inter-city OPGW<sup>(2)</sup> optical fiber network in Romania, used by international & national carriers

Owns and operates the underground telecom duct infrastructure in Bucharest, one of the fastest-growing metropolitan regions in the EU<sup>(3)</sup>, based on a Concession Agreement until 2057

Infrastructure deployment & maintenance services conducted intra-group



## Energy Infrastructure

Owns and operates power and natural gas distribution networks

Generates, distributes and supplies power

Licenses for exclusive gas distribution in four localities in Romania

Electricity distribution & supply to an industrial park

Infrastructure deployment & maintenance services conducted intra-group



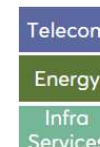
## Infra Services

Cash-generating services, delivering turn-key projects from design to installation and maintenance across telecom, energy (incl. wind) and civil infrastructure

First-hand know-how and capabilities to build & provide professional services for telecom, energy & civil infrastructure for the Group as well as for third parties, in Romania and abroad



Sector color



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# A *de facto* PPP deploying Bucharest's telecom i



## A *de facto* PPP deploying Bucharest's telecom infrastructure



Netcity's  
underground ducts



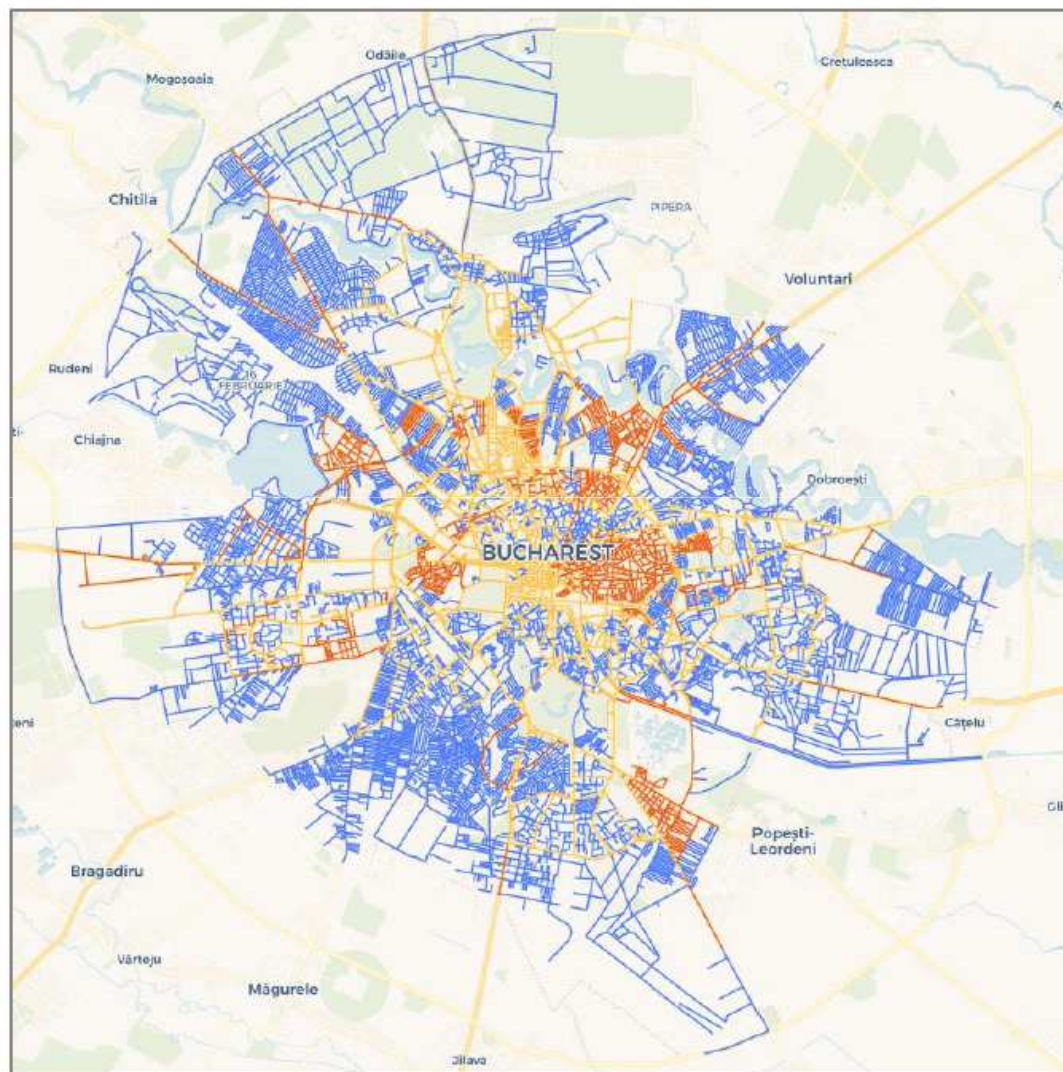
Netcity manhole



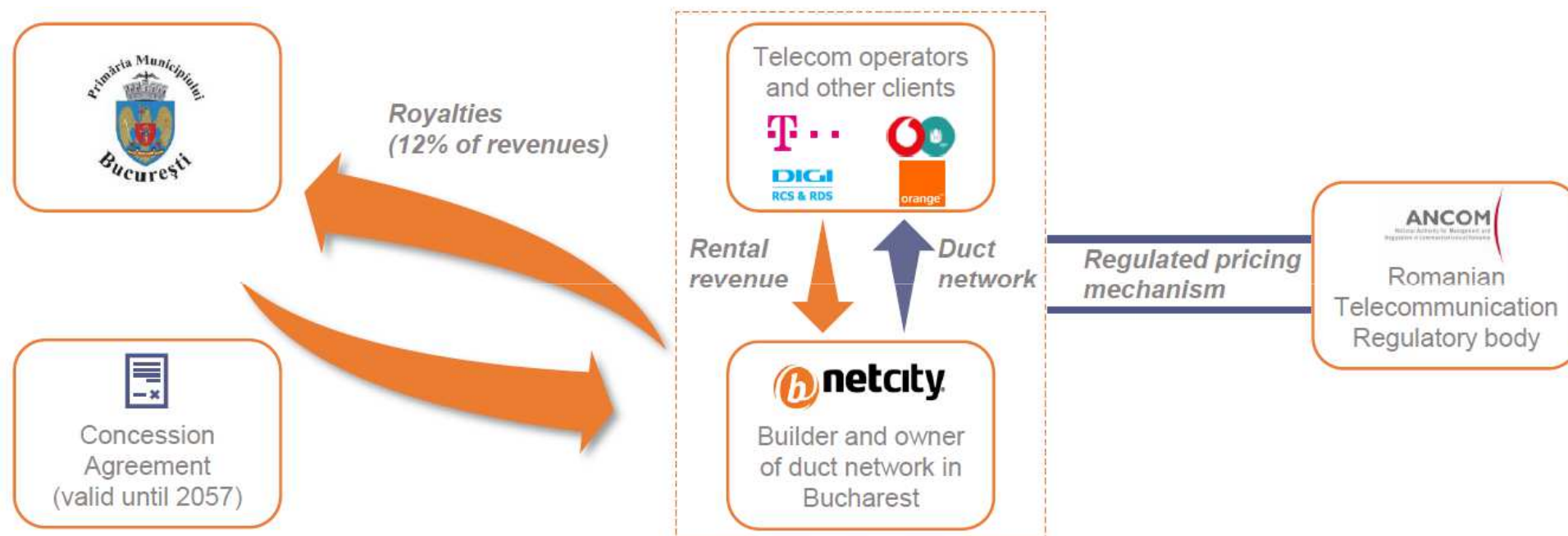
Netcity's ducts



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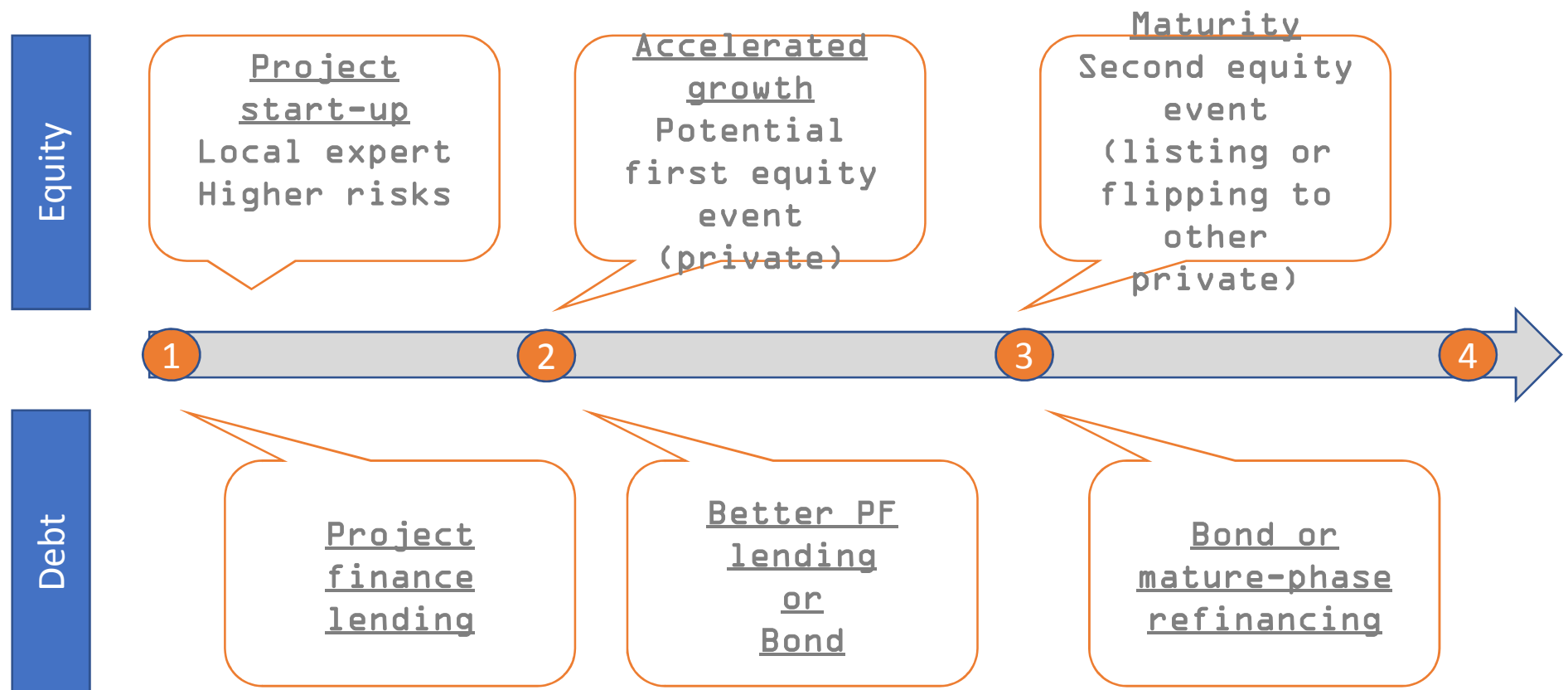


# Insights from infrastructure investment

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- **Funding is available**
  - > €20+ raised yearly by infra funds
  - Funds seek large projects
  - Long term preferred
  - Once in, willing to do more add-on investments
- **But price / costs / IRR are sensitive to**
  - Regulatory changes
  - Perceived corruption & rule of law
  - Enforcement of agreements with the administration
- **Final payer is still the taxpayer**
  - Taxpayers fund pension funds & insurance funds, ultimate infra LPs
  - Higher uncertainty -> higher expected returns -> higher costs for taxpayer (through fees, budget contributions etc.)

# Funding cycle via capital markets



For Steps 1 and 2 to succeed, there needs to be a perspective of a s

- Listing
- Pension funds
- Other infra funds