# Romania

## Private and Public Health Services

A FRD Center analysis

# Introduction

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Since 2000, FRD Center offers tailor-made market research and intelligence, B2B matchmaking and M&A consulting services to foreign organisations interested to enter Romania and the emerging markets in Europe as exporters, consultants, investors or joint-ventures, to relocate their operations, or to source in CE, SE and Eastern Europe.

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As part of the CSR activity, FRD Center endorses the

**Sibiu International Theatre Festival SibFest FITS** - www.sibfest.ro

The Sibiu International Theatre Festival is the most complex festival in Romania. Internationally, it has become the most important performing arts festival in Europe, judging by its ampleness, dimension, and quality of events, before Edinburgh International Festival (Great Britain) and Avignon Festival (France)

# Why Romania?

Romania is the most dynamic large market in Europe, a strong democracy, a NATO and EU member. After a GDP growth of 4.8% in 2016, in Q1 2017 Romania registered the highest GDP rate in the EU: 5.6%.

With unemployment average of 5.5%, the purchasing power of the Romanian population increased with 12% in 2016 and the consumption with 9%.

Additional to the local consumption growth and increasing purchasing power, **Romania's strategic advantage is its position as a GATEWAY to the EU**, on one hand, and to large markets such as Russia, Turkey, Ukraine, Kazakhstan that are not part of the EU.

Romania presents interest to foreign investors or manufacturers looking to acquire a local player and set up operations in the country, thus accessing the EU market (510 million people) and relevant markets in Eastern Europe.

# Healthcare system in Romania

The Public Health expenditure in Romania represents approx. 80% of the total health expenditure.

Health expenditure, total (% of GDP) in Romania was reported at 5.565 % in 2014, according to the World Bank collection of development indicators, compiled from officially recognized sources.

Some 5 million Romanians choose the Private Medical services, rather than the Public Healthcare.

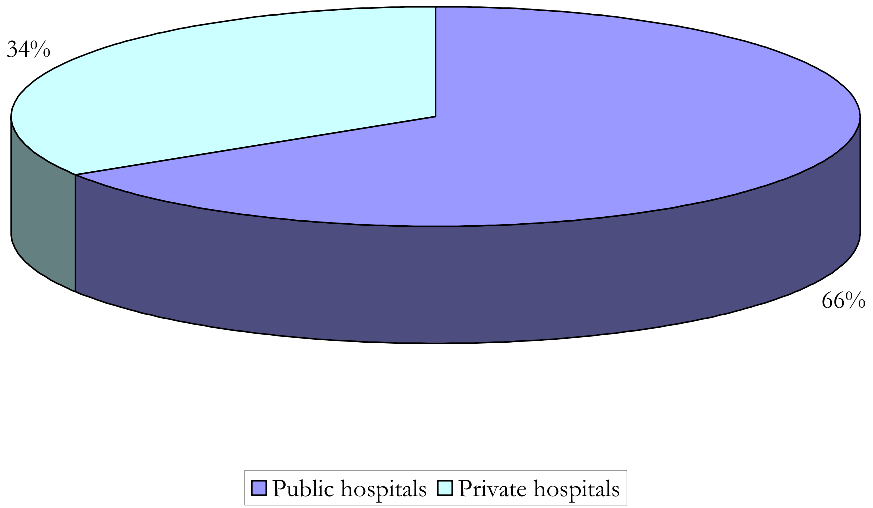
The Romanian Private Medical infrastructure covers 75% of all medical units in Romania, with an average annual growth rate of 300% in the last 15 years.

The Romanian Public Health system is organized at two main levels, national and district, mirroring the administrative division of the country.

# Hospitals in Romania

According to the National Institute of Statistics, there were 554 hospitals in Romania in 2015, out of which 367 public hospitals (66%) and 187 private hospitals (34%). According to a FRD Center analysis, the number of the private hospitals in Romania has increased by 16% in 2015 compared to 2014.

**Hospitals in Romania in 2015, by type of ownership**

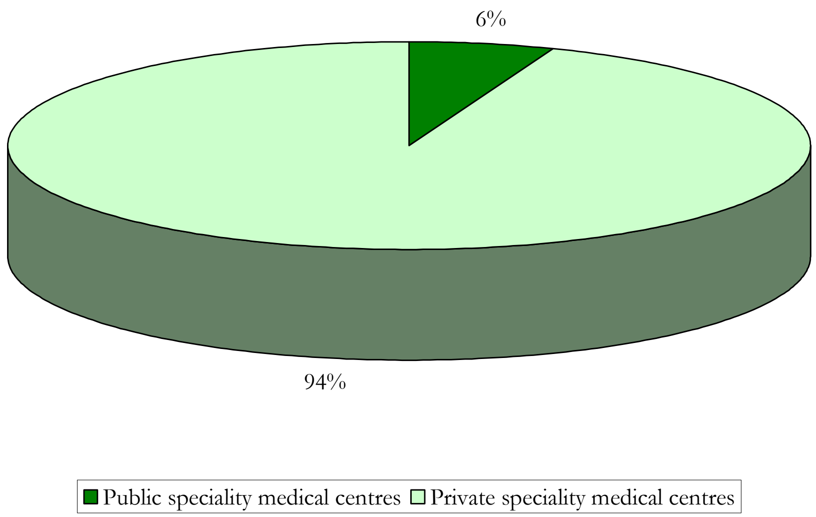



*Source: FRD Center, National Institute of Statistics*

# Medical Centres in Romania

According to the National Institute of Statistics, there have been 626 speciality medical centres in Romania in 2015, out of which 36 public centres (6%) and 590 private centres (94%). According to a FRD Center analysis, the number of the private speciality medical centres in Romania has increased by 116% in 2015 compared to the previous year.

**Speciality medical centres in Romania in 2015, by type of ownership**




*Source: FRD Center, National Institute of Statistics*

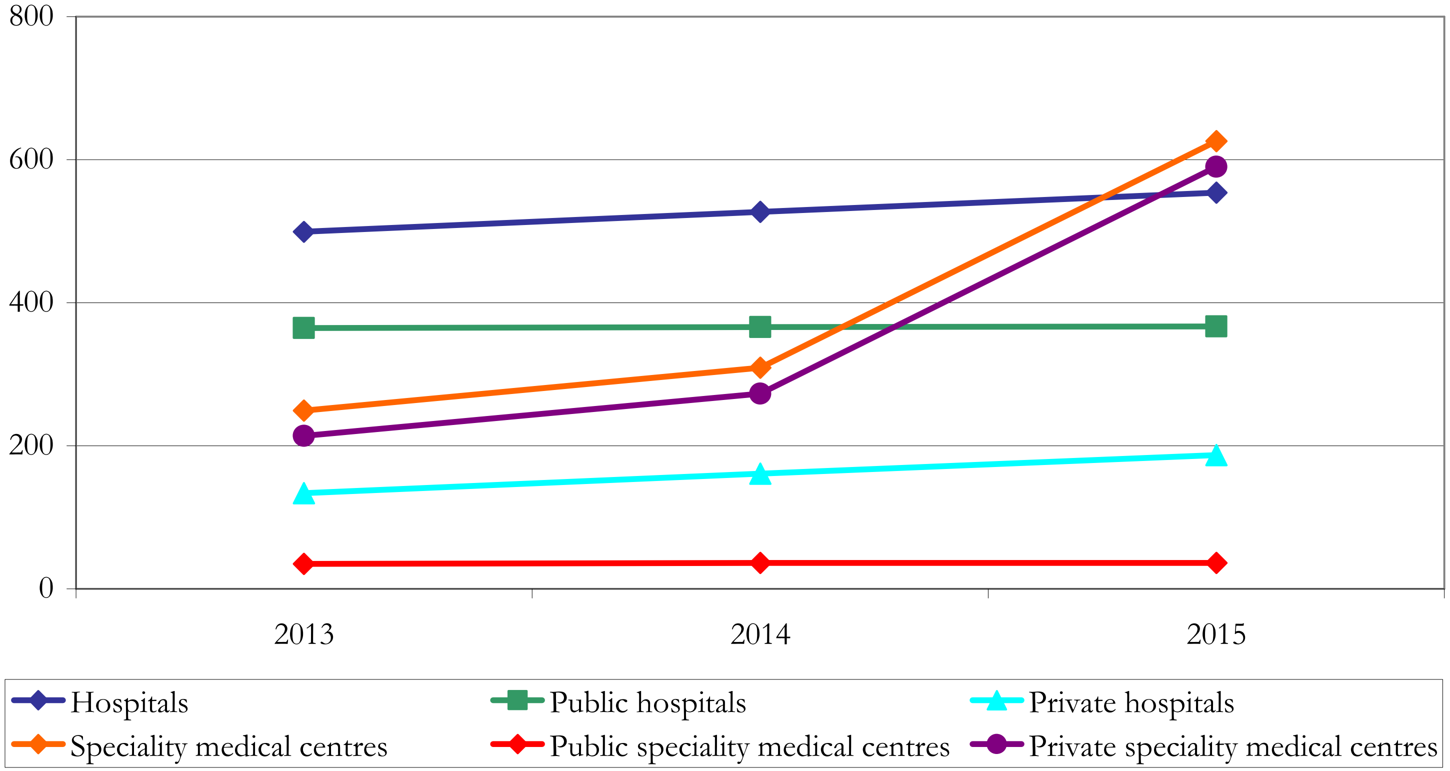
# Medical Units in Romania

| No of medical units in Romania | 2013 | 2014 | 2015 |
| --- | --- | --- | --- |
| Hospitals, out of which: | 499 | 527 | 554 |
| - public | 365 | 366 | 367 |
| - private | 134 | 161 | 187 |
| Speciality medical centres, out of which: | 249 | 309 | 626 |
| - public | 35 | 36 | 36 |
| - private | 214 | 273 | 590 |

*Source: FRD Center, National Institute of Statistics*

# Development of the Medical Units in Romania

**No of hospitals and speciality medical centres in Romania, 2013 - 2015**




*Source: FRD Center, National Institute of Statistics*

# Private Healthcare in Romania

Main private providers of healthcare services in Romania are:

- MedLife
- Regina Maria
- Sanador
- Synevo
- Gral Medical
- Hiperdia
- Polisano
- Medicover
- Sante
- Monza
- Med-As
- Arcadia

Sanatatea ca stil de viata!

Totul pentru viață

# Largest Private Hospitals in Romania

| Private Hospital | No of beds in 2015 | Location |
|---|---|---|
| Sanador | 365 | Bucharest |
| Red Hospital Sf Sava | 225 | Iasi (NE Romania) |
| Polaris Medical | 180 | Cluj (NW Romania) |
| Polimed | 165 | Bacau (NE Romania) |
| Nova Vital Hospitals | 159 | Mures (Centre Romania) |
| Terapeutica | 155 | Arad (Western Romania) |
| Elytes Hospital Hope | 146 | Iasi (NE Romania) |
| Arcadia Hospitals | 145 | Iasi (NE Romania) |
| Asclepios | 137 | Constanta (SE Romania) |
| Centrul Medical Policlinico di Monza | 134 | Bucharest |
| Regina Maria / Centrul Medical Unirea | 131 | Bucharest |
| Delta Heath Care | 129 | Bucharest |
| Pelican Impex | 126 | Bihor (NW Romania) |
| Fundatia Acasa | 120 | Salaj (NW Romania) |
| Centrul Medical Laser System | 114 | Arad (Western Romania) |

*Source: ZF, Ministry of Health, FRD Center*

# MedLife

**MedLife** is the leader of the private healthcare services market in Romania. MedLife has accelerated its expansion in the last two years by opening new clinics and by buying smaller competitors, such as Anima Clinics in Bucharest, Almina Trading operating in Ilfov and Dambovita, Genesys Medical Clinic Group in Arad and Stem Cells Bank in Timisoara.


Medlife has recorded a turnover of EUR 112m in 2016, up by 29% compared to 2015. In the first quarter of 2017, MedLife has registered a net profit of almost EUR 1m, up 15.5% y-o-y.

MedLife is controlled by the Marcu family and its shares are listed on the Bucharest Stock Exchange.

# Regina Maria

REGINA MARIA

FRD center

**Regina Maria (Centrul Medical Unirea)** is the second largest private healthcare operator in Romania. Regina Maria has acquired in the last two years Al-Medica Berlin Medical Center in Ploiesti, the Clinic IXIA Medica in Bucharest, the Ponderas Academic Hospital in Bucharest, the Helios Medical Center in Craiova and the Dr. Grigoras Medical Centers in Timisoara.

Regina Maria has recorded a turnover of EUR 91m in 2016, up by almost 40% compared to 2015. The company expects a 30% turnover increase in 2017 and the growth will be achieved organically, but also through acquisitions. The European Investment Bank (EIB) has agreed in June 2017 to lend EUR 15m to support Regina Maria to upgrade and expand its network of outpatient and inpatient facilities mainly outside Bucharest. Regina Maria is controlled by private equity fund Mid Europa Partners.

# Sanador


**Sanador** has the biggest private hospital in Romania. It is a general hospital launched in 2011 in Bucharest, following an investment of EUR 40m. Sanador has relied on organic development and focused its investments only in Bucharest by opening a hospital and a network of clinics. For the next period, the private medical operator plans to open an oncology center near the Sanador Hospital. Sanador has recorded a turnover increase of 22% in 2016 compared to 2015. Sanador is owned by the Andronescu family.

# Synevo

**Synevo**, part of Swedish Group Medicover, has a network of 16 laboratories and 75 blood collection centers in Romania.

The Synevo business model is based on laboratory analyzes offered to private patients. Synevo has opened 11 blood collection centers in 2016.

Synevo Romania has recorded a y/y turnover increase of 16% in 2016.

# Gral Medical


**Gral Medical** has completed in April 2017 an investment of EUR 5.5m in the radiotherapy department of its OncoFort hospital.

For 2017, Gral Medical plans to open an oncology center with day hospitalization and to increase the bed capacity of the OncoFort hospital.

Gral Medical is controlled by a Romanian business person.

# Recent M&A in the Private Healthcare system in Romania (examples)

**Romgermed** has acquired in 2017 the Doctor Isreb Medical Center in Bucharest, coordinated by the Syrian doctor Isreb Ahmad Nayel, launching an expansion operation based on the acquisition of small and medium players in the Bucharest area. Romgermed has been set up in 2000 by Mr. Dorin Sam Schwartz and Mr. Filip Florin Schwartz.

The healthcare investor and provider of diagnostic imaging and cancer treatment services **Affidea Group** has acquired Hiperdia in 2016 from SouthEast Europe Equity Fund II (managed by US-based Bedminster Capital Management) and Harkstede Holding. Hiperdia is a main provider of diagnostic imaging services in Romania.

The international healthcare services provider in the nephrology field **Diaverum** has taken over International Healthcare Systems (IHS) in 2015. IHS is one of the biggest dialysis services providers in Romania, operating a network of 15 kidney centres.

**Regina Maria** has acquired in the last two years Al-Medica Berlin Medical Center in Ploiesti, the Clinic IXIA Medica in Bucharest, the Ponderas Academic Hospital in Bucharest, the Helios Medical Center in Craiova and the Dr. Grigoras Medical Centers in Timisoara.

**For tailored market research, B2B matchmaking with local players in the sector, deal origination and M&A assistance feel free to contact**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