

ANALYSIS OF THE IMPACT OF LISTING ON THE STOCK EXCHANGE ON THE DEVELOPMENT OF AGRICULTURAL COMPANIES

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Abstract: *The purpose of this paper is to make a financial analysis of the Romanian agricultural companies that initiated the listing process at the Bucharest Stock Exchange. The analysis is based on the financial data of the listed companies, covering the period 2020-2022, years subject to the shocks of the pandemic crisis caused by COVID-19. At the same time, an analysis was carried out on the stock market where companies with an agricultural profile are increasingly present. In this paper, a qualitative analysis of the decisions of the companies that initiated this procedure and the impact of these decisions was carried out. Based on our findings, we identify several recipes for success that may be useful to decision makers in the context of other financing or investment decisions.*

Keywords: *Financial decision, Agricultural companies, Stock market capitalization.*

JEL Classification: *G15, G32, Q14.*

Introduction

The subject of analyzing the impact of the financing decision on companies is of great interest to company managers all over the world, in the context of the inevitable phases of a company's economic life cycle. The main purpose of this paper is to analyze the impact of the financing decision of company administrators on the sustainability of companies by making the decision to list on the stock exchange, implemented by Romanian agricultural companies and their effects, in order to identify the main factors that determine them. In this sense, we highlighted the successful and unsuccessful approaches of company administrators' interventions for listing on the Bucharest Stock Exchange. Finally, the paper includes some potential lessons or best practices in applying funding decisions. The financing system of the investment process consists of the unit of financing sources, investment activity and financing methods. Formation of investment financing sources for this period is one of the common and important problems of investment activities. Financing is the process of planning, acquiring, using and controlling the funds used in any type of business (Albuquerque et al., 2020).

In the case of financial management, we find two directions of definition assigned by the author (Onofrei, 2004) which explain that its general objective is to ensure the

efficiency of capital formation and use, thereby achieving financial support for maximizing the market value of the company and, implicitly, increasing shareholder wealth. Hatch et al. (2021) defined it more simply, namely, the focus of financial management only on the effective management of the process of correct and profitable allocation of resources, while the author Conso P. (1981) states that financial management is the existence of a power structure.

Key financial management decisions are based on three key aspects of a firm's business cycle: the investment decision, the financing decision, and the dividend decision (Samadi et al., 2022). The paper is organized as follows: Section 1. presents discussions and empirical research on financing decisions in the existing literature, Section 2. presents the research methodology based on the financing decision by listing on the stock exchange and analyzing the sustainability of companies, Section 3. provides an analysis of the practices of application of the financing decision regarding the sustainability of romanian agricultural companies, and in the last section we present the conclusions.

Literature review

Financial decision is important to make wise decisions about when, where and how a company should acquire funds (Hatch et al., 2021). Because a firm tends to make the most profit when the market share of an organization's share expands, and this is not only a sign of development for the firm, but also increases the wealth of investors (Brigham and Houston, 2019). Consequently, it refers to the composition of the different securities in the company's capital structure (Samadi et al., 2022). Unfortunately, there is no debt-to-equity ratio that can be used as a guide to achieving an optimal capital structure in the real world. What defines a healthy mix of debt and equity varies according to the industries involved, the line of business and the stage of development of a firm, and may also vary over time due to external changes in interest rates and the environment regulation (Matei and Onofrei, 2022). However, since investors are better off putting their money into companies with strong balance sheets, it makes sense that the optimal balance would generally reflect lower levels of debt and higher levels of equity (Cordier and Santeramo, 2019).

According to Eurostat, the agricultural sector is a major contributor to the European economy in terms of income and workforce. Within the 27 member states, in 2016, around 10 million farmers worked (4.9% of the total), but, in reality, it is estimated that this number is much higher, because many unregistered people work in agriculture based on a contract (Matei and Onofrei, 2021). At the same time, at European level, Romania has the 4th largest rural population, which consists of 9.7 million inhabitants, (44%), according to INS. Considering these, it is not a coincidence that agriculture is the most important economic sector in terms of employment, with a gross added value of approximately 15% in 2021 and a weight of in GDP of about 4.4%, with approx. 13 million hectares, having the 6th largest area in the EU.

According to a study carried out in 2021, by the Deloitte company, the agribusiness sector continued to contribute significantly to Romania's GDP in 2020 as well, and the activities of the main players had an upward evolution. The positive results are due to the agricultural potential of Romania, the increase in production, as well as the investments in infrastructure and state-of-the-art equipment made in recent years by the large companies

active in this sector, which contributed to the increase in productivity (Lapinskaite et al., 2020).

However, the agribusiness sector in Romania is far from having reached its maximum potential, and the prospects for development are favorable. In 2020, Romania ranked first in terms of the cultivated area of grain corn and in second place in terms of production, at the level of the European Union. As far as sunflowers are concerned, in 2020, Romania cultivated and harvested the largest amount in the EU. The production of wheat and potatoes placed Romania in sixth place at the EU level in 2020, although in terms of cultivated production, the country was in fourth place (Matei and Onofrei, 2022). According to the Romanian Farmers' Club, in 2021 Romania is the only country that has a full harvest rating at the Exceptional level, with all crops on the territory of Romania receiving this rating. Moreover, Romania recorded the most spectacular increase in production and yield in the last 10 years in the EU. Romania's biggest obstacle in improving efficiency is the small size of local farms and the reluctance of local farmers to associate and cultivate larger plots of land together (Chakrabarty et al., 2021). The year 2021 was characterized by the continuation of the COVID-19 pandemic and a general increase in commodity prices. However, trade in the agricultural sector in Europe reached a value of EUR 328 billion, increasing by 7.2% compared to 2020 (Tudor C. 2021).

The trade balance registered an increase of 8% reaching a value of EUR 68 billion. In 2021, the trade balance of the EU agri-food sector was 67.9 billion EUR, an annual increase of 8%. Both import and export values were higher. EU exports increased by +7.3%, while imports increased by +7% on an annual basis. This resulted mainly from a strong increase in global energy prices, transport costs, input costs for agriculture and merchandise (Tudor C. 2021). For example, in the EU, food prices increased by 5.6% from February 2021 to February 2022. The main exports were sent to Great Britain, the United States (+14% vs. 2020) and China (-3% vs. 2020) countries that represented 42% of total exports. The biggest increase in grain exports was to China, 30% higher than in 2020 (Matei and Onofrei, 2022).

As mentioned above, there are many advantages for a company to be listed on a recognized stock exchange. Some of the common reasons and benefits for a company to be listed are mentioned below (Scown and Nicholas, 2020).

1. Wider access to finance

The very purpose of starting a business is to get adequate funding to fulfill its goals and ultimately to make a bigger profit for its owners. By listing the company on a recognized stock exchange, the company has a chance to raise a huge amount of capital as it has access to a wider base of potential investors, whether retail or institutional.

2. Ability to raise additional capital when needed

Capital requirement is a constant need for any business. By listing, a company can raise funds as needed by issuing additional shares, either of a new class or rights issue of the existing class of shares, at the company's discretion.

3. Better regulation of the company

The listing of shares is regulated by SEBI through strict rules and regulations designed to protect the interests of shareholders and investors. This requires the company to provide greater transparency about its financial statements and decisions that can have a huge impact on the interest of all stakeholders.

4. Greater investor confidence

The strict regulations that a company has to follow at the time of listing and further till the end, even in case of liquidation of the company, act as a double benefit for the company and the stakeholders. Increased transparency generates greater confidence among investors in the viability and profitability of their investment. At the same time, it allows the company to follow a structured process to build and maintain high credibility.

5. Increased ability to borrow

Also, a listed company can more easily borrow funds from an external source whenever it needs them. Increased transparency and verification of financial statements by external as well as internal auditors increase lenders' confidence in the company's viability to repay funds.

6. Increased liquidity

Listing of shares on recognized stock markets makes it easy for investors to buy and sell them at any time. Stocks can be easily traded and also have the potential to take part in the uptrend of the market or a boom or bullish feeling in the market.

7. Greater visibility on the market

When a company is listed on any recognized stock exchange, it exposes itself not only to retail investors but especially to institutional investors. The company also has the chance to attract investment from international investors by showcasing its business and growth model as well as strong financials. This increased visibility in the national and international market is a huge advantage for the company to generate the required funds from time to time (Scown and Nicholas, 2020).

Materials and methods

The objective of the research is to analyze the impact of the financing decision of Romanian agricultural companies through the listing on the Bucharest Stock Exchange (BVB). Our analysis is based on the financial data of listed companies, covering the period 2020-2022, years subject to the shocks of the pandemic crisis caused by COVID-19. The sample analyzed is represented by Romanian agricultural companies listed and active in 2022. At the same time, an analysis was carried out on the stock market where companies with an agricultural profile are increasingly present. The analysis methods used in this study are: the comparative method used to carry out a comparative study of companies from different sectors of activity related to financial data and the decision to list on the stock exchange; the method of analysis and research used to identify financial data and their interpretation, as well as the analysis of the empirical study of the research subject; the quantitative method represents the analysis of the financial data established in the analysis sample within the study through the applicability of the analysis indicator of the financing decision in relation to the company's profit.

Results and discussions

A. Financial analysis of agricultural companies that initiated the listing process at the Bucharest Stock Exchange (BVB)

Listing on the stock exchange presents numerous advantages for both the company and its owners, among which the following can be listed:

- attracting financial resources without increasing the company's indebtedness;

- increasing visibility and free advertising;
- evaluating the company at a fair price;
- attracting institutional investors;
- freedom of use of the capital raised;
- exit strategy for founding investors;
- the diversity of financing forms;
- advantageous taxes and rates.

In 2020, HOLDE AGRI INVEST was listed on the Bucharest Stock Exchange. Holde Agri Invest's main activity consists in the exploitation of agricultural land owned or leased. The Holde Agri Invest company includes entities - in the county of Teleorman, Calarasi and recently, Dambovita, farms of technical crops and an entity that provides operational services. The parent company, Holde Agri Invest, covers administrative and governance aspects and acts as a shared service center. At the time of the report, the company is finalizing the purchase of a farm in Contesti, Dambovita, thus raising the entire area cultivated by the company to 12,000 ha. In October 2021, the company was included in the BETAeRO index, where it holds the second largest weight (12.35%). At the same time, the company holds minority shares in several agricultural start-ups. The company's operating revenues increased by 54% in 2021, rising to 62,768,753 RON. This fact was due to the increase in cereal prices on the international markets. Tangible assets also increased by 105%, to 81 million RON, as a result of the investments made in machinery, silos and irrigation installations. The net result of the exercise increased by 94% compared to the previous year, demonstrating the efficiency of the scalability of the business model of the Holde group.

In 2021, two companies operating in the agricultural field were listed on the Bucharest Stock Exchange, these being Agroland - which started in 1997, in Timișoara as a small network of shops for farmers, and currently, from the Agroland group includes retail, agribusiness, agrifood and ag-tech companies, respectively Agroserv Mariuta S.A. – which is a family business through which Mădălina Cocan founded the Lăptăria cu caimac brand. Lăptăria cu caimac is a brand of Romanian specialty dairy products. The company exploits 3,200 hectares of agricultural land in Ialomița, on which it grows cereals and oleaginous plants and owns a farm of Holstein Friesian dairy cows of almost 2,600 animals.

In 2022, two agricultural companies, DN AGRAR GROUP and GRUP SERBAN HOLDING, were listed on the BVB. DN Agrar is a group of companies with Dutch capital that operates in Romania in several fields such as agricultural plant production, animal husbandry (cattle breeding) and business consulting services. The company currently has around 10,000 cows on its farms in Transylvania. The objective of the management and the Board of Directors is to become the largest cattle complex for milk production in Romania. In the summer of 2021, the company attracted funds of 25 million RON through a private placement, which it used to purchase farms and repay some debts. In 2021, the company recorded turnover values higher by 47% compared to 2020, reaching 4,951,930 RON. The net result had a significant increase of 94%, from 758 thousand RON to 1.5 million RON.

GRUP SERBAN HOLDING - Grup Serban Holding represents a group of companies with Romanian capital, founded in Onesti, Bacău county in 1994. The group's structure is integrated and has the following fields of activity: agriculture, grain trade,

oilseeds and vegetables, poultry breeding, bakery, pastry-confectionery, public catering (own chain of stores - Bacaniile Serban), distribution and transport.

At the time of the report, the Grup Serban Holding company reported only on an individual level, a net result of 62 thousand RON. The consolidated budget for 2022 foresees a consolidated turnover of 540.1 million RON with a consolidated net result of 33.9 million RON.

Table 1. Description of the agricultural companies listed on the Bucharest Stock Exchange

Company	Field of activity	County (company headquarters)	Fiscal value (RON)	Net profit (RON)	Employees (average number)
AGROLAND BUSINESS SYSTEM S.A.	Agribusiness	Timis	165,369,049 (year 2020)	8,634,451 (year 2020)	159 (year 2020)
AGROSERV MARIUTA S.A.	Agribusiness	Ialomita	68,353,251 (year 2021)	1,737,359 (year 2021)	213 (year 2021)
DN AGRAR GROUP S.A.	Zootechnics	Alba	4,951,930 (year 2021)	1,468,528 (year 2021)	162 (year 2021)
GRUP SERBAN HOLDING S.A.	Agriculture	Bacau	311,000,000 (year 2020)	24,000,000 (year 2020)	350 (year 2020)
HOLDE AGRI INVEST	Agribusiness	Bucharest	59,300,000 (year 2021)	4,750,566 (year 2021)	95 (year 2021)

B. The impact of stock exchange listing on agricultural companies

The main role of the stock exchange is to facilitate the flow of money between investors who have available funds and entrepreneurs who need capital for development. Listing on the stock exchange generally offers, in addition to the quick advantage of financing, access to a package of collateral benefits (such as: liquidity, valuation in the business market, transparency, credibility or marketing).

Table 2. The funds attracted by the agricultural companies listed on the Bucharest Stock Exchange

Company	Ticker symbol	Time of listing at BVB (year)	Stock market capitalization on 2022 (RON)
AGROLAND BUSINESS SYSTEM S.A.	AG	2021	156,000,000
AGROSERV MARIUTA S.A.	MILK	2021	112,000,000
DN AGRAR GROUP S.A.	DN	2022	102,000,000
GRUP SERBAN HOLDING S.A.	GSH	2022	349,000,000
HOLDE AGRI INVEST	HAI	2020	119,000,000

By listing on the Bucharest Stock Exchange, on January 1, 2022, the stock market capitalization of AGROLAND BUSINESS SYSTEM S.A. was over 156 million RON, and that of Agroserv Mariuta S.A. of over 112 million RON.

Regarding the financial management of the funds obtained following the listing at the Bucharest Stock Exchange:

- In 2022, Agroland plans to reach 30 MEGA (Agroland) stores throughout the country. In parallel, the company aims to expand the production capacity of day-old chicks to

1,000,000 hatching eggs per month and increase the production capacity of table eggs to a minimum of 180,000 eggs per day. Management estimates that in 2022, revenues from this business line will grow by 50%;

- The dairy producer Agroserv Măriuța from Dragoesti (Ialomița county), the company that owns the Lăptăria cu Caimac dairy brand, completed at the end of February 2022 the construction of the second production unit, equipped with a cheese line and a line for butter.

- On March 16, Grup Serban Holding had a capitalization of 359 million RON and operating income of 350 million RON at the level of last year. The profit in 2020 was 24 million RON (price/profit ratio of 14 with the results after the first semester of 2021 and the second semester of 2020) and the total debts are 370 million RON. At the level of the Holding, 12,000 hectares are exploited.

- DN Agrar Grup, with majority Dutch shareholders, had a capitalization of 100 million lei, with revenues of 73 million RON after the first three quarters of 2021. The profit was still 4.1 million RON (PER 11). The company had over 3,000 hectares in operation and manages cow farms. The total debts were 83 million RON, but the management reported that it contracted a loan of 33 million RON recently, with which it will complete the purchase of a farm that still owns 3,000 hectares.

- Holde Agri Invest is not an integrated business, being focused only on land cultivation, therefore simpler to manage. It currently manages 8,000 hectares and has an accelerated rate of investments, effectively using the leverage of capital increases (the money is brought in this case by shareholders, not by banks). The company had a capitalization of 122 million RON, had obtained revenues of 46 million RON after the third quarter of 2021 when it reported a profit of 2.6 million RON, and had debts of 91 million RON. The company's business model provides for the purchase of existing agricultural vegetable farms, sometimes under-performing or with a capital deficit, in order to transform them into a modern and efficient operational operation. Holde Agri Invest mainly targets farms of around 2,000 ha, but smaller farms are also targeted for the operational consolidation of existing farms. Holde expects to reach a turnover of 40 million RON at the end of this year and an EBIT margin of 17%. Holde's objective is to become one of the most important Romanian players on the local agricultural market, reaching a minimum of 20,000 hectares of operated land in the next seven years. To achieve this goal, Holde will invest over 50 million euros in land acquisitions, new machinery, storage facilities, as well as modern irrigation systems.

It should be noted the rather high degree of indebtedness in the case of the agricultural companies studied as a result of an aggressive development strategy. Interest costs, increasing this year, will affect profitability in the next period and it is possible that investors will not receive dividends in the short and medium term, so those who purchase AG, MILK, DN, GSH or HAI shares should look at the investment them as one of long-term growth.

C. Description of the stock exchange space

After more than 20 years of consolidation, the "stock exchange industry" has become a combination of the following elements:

- Global exchanges such as NASDAQ-OM, Intercontinental Exchange (parent company of NYSE), London Stock Exchange, Deutsche Boerse, Hong Kong Exchanges;

- Regional stock exchanges, such as Euronext and SIX-BME from Western Europe;
- Giant national stock exchanges, such as that of Japan, B3 of Brazil, Toronto Stock Exchange, Australian Stock Exchange, Singapore Exchanges, Johannesburg Stock Exchange;
- Small national exchanges such as those in Budapest, Bucharest, Zagreb, Ljubljana.
- In Central and Eastern Europe, there are two large national exchanges with regional ambitions: Vienna and Warsaw.
- Another big player, Istanbul (with ambitions in the Middle East) and over a dozen relatively small or very small national exchanges.

The challenges

Compared to large global, regional or national exchanges, small exchanges are at a disadvantage. Their problem is "under-scaling" - lack of economies of scale ("scale economies") in the cost structure and insufficient size to attract large investors. The downside of the cost structure is obvious: small exchanges cannot afford the massive technology investments needed to keep up with the cutting edge. More importantly, small exchanges find it difficult to attract the attention of large global and regional investors. Large investors and managed assets are concentrated in countries with long-standing pension systems, traditions of professional asset management and an "equity culture".

These large investors manage large volumes of financial resources. They invest in stocks with significant market capitalization and sufficient liquidity (so that they can buy or sell without affecting the market).

In a smaller national economy and its stock market:

- There are relatively few investment targets for large investors.
- Liquidity is also limited. Only top stocks, usually those included in indexes, offer acceptable liquidity.
- The number of shares followed by financial analysts ("research coverage" is limited).

Perspectives

- How can small-cap exchanges overcome these disadvantages?
- Consolidation, was the standard response.
- In Northern Europe, for example, the Swedish stock exchange OM has consolidated several of the Scandinavian and Baltic stock exchanges. It was later taken over by NASDAQ to create a global stock exchange. All subsidiaries migrated to a common technology platform with significant economies of scale in the cost structure. The NASDAQ brand is global and listing on NASDAQ certainly helps any company.

In 2018, the Polish Stock Exchange was promoted by FTSE Russell from the status of Emerging Market to Developed Market, joining capital markets such as the USA, Great Britain, Germany, France, Japan or Australia. Poland is the first country to receive this promotion in the last 10 years, and the first in history in Central and Eastern Europe. Poland's upgrade to developed market status is a recognition of the progress of the Polish economy and capital market, and is a major step in the country's development. Russell notes that Poland has all the characteristics of a developed market, including a secure trading system and post-trading services, as well as advanced infrastructure. The Warsaw Stock Exchange uses a state-of-the-art trading system, and listed companies meet the highest standards of corporate governance and transparency. "The promotion granted to Poland today to the status of a Developed Market is a significant achievement. The Polish

Minister of Finance, as well as the Warsaw Stock Exchange, have dedicated themselves to improving the infrastructure of the capital market and strengthening the economy, and today their efforts have paid off and they have met the rigorous criteria necessary to achieve this high classification," said Reze Ghassemieh, Chief Research Officer at FTSE Russell. Romania has been included in the promotion list for emerging market status for two years, but the Bucharest Stock Exchange has not yet met the criteria to overcome the frontier market status.

The FTSE Russell index is a benchmark for global investment funds. The new classification represents the move of companies listed in the Emerging Markets index to the Developed Markets index. After the reclassification, 37 Polish companies will be included in the developed markets index, the largest being PKO Bank Polski, PKN Orlen, Grupa Lotos, PGE, PGNiG, KGHM Polska, Bank Pekao, PZU, BZ WBK, mBank, LPP, Dino Polska, CD Projekt, Cyfrowy Polsat. FTSE Russell announced the promotion of Poland on September 29, 2017, but only today the decision officially entered into force. The Bucharest Stock Exchange had, so far in 2021, a very good year. Moving towards the beginning of the year, when the prospects were darkened by the health situation, with direct and major social and economic effects, such a performance would not have been easy to anticipate, shows an analysis carried out by the broker XTB Romania.

The BET index registered, until the close of the session on September 1, a 25.5% increase, and the BET-TR, which includes dividends, a 31.1% increase. In one year (compared to September 1, 2020) the advance is even more impressive: 36.5% for BET and 44.1% for BET-TR. Investor interest was sustained in both the institutional and retail channels, in an environment of abundant global liquidity, and in which anticipation and then the effective reopening of the company allowed for a revitalization of economic activity.

The best performing companies on the Bucharest Stock Exchange.

Among the best performing companies from January 1 to September 1, 2021, Teraplast is in the first positions, with an advance of 172.6%, Nuclearelectrica with 66.9% and SIF Muntenia with 64.7%. Such spectacular figures, which cheered portfolio investors, also allowed a change of perspective vis-à-vis the stock market: the number of listings, either in the main segment or especially in the growth segment, Aero, reached an unprecedented share since the formation of the scholarship. The growing supply also led to an increase in the number of investors, according to the FCI (Investors' Compensation Fund), to 70,756 at mid-year, from 65,637 at the start of 2021, XTB says.

In Romania the growth segment saw 15 listings this year (and 2 on the main market), while in Poland until August there had been 16 listings on the growth segment (NewConnect, similar to Aero) and 9 new names on the main market, from which 6 had been advanced from the growth segment. According to the estimates of the CEO of the Warsaw Stock Exchange (WSE), another 20 new names would be expected, on both segments, by the end of the year. Although Poland is better in this regard, the effervescence of new listings in Bucharest has massively reduced the gap that had been huge in some years between the volume of new listings in Poland and the "drought" in Romania. The current trend seems favorable to the local market, and important listings are expected, including from IT, in the main segment, but also on Aero.

In terms of returns, this year was also a good one for the Polish stock market, but the WIG20 index managed a 19.3% advance, significantly below that of the BET. The companies that pulled the index up are, in order of performance, Bank Polska (Pekao) with 75.8%, LPP (clothing manufacturing and distribution company) with 67.7% and JSW (coal mining) with 67.2%. The IT segment has been a touchstone for the index, with the famous CD Projekt failing to recover from a string of disappointments, and falling 32.2% this year, while e-commerce company Allegro is down 14, 7% this year, although in recovery of almost 50% from the lows reached in May. The sentiment in the Polish capital market is more restrained, with lower appreciations than the Romanian stock market, and the Warsaw index did not reach new record values as in Romania.

In relative terms, the Romanian capital market has significantly surpassed the attractiveness of the Polish one, starting (initially) from a relatively attractive valuation base, with a high dividend yield and with an overall increasing liquidity, XTB says. However, the Warsaw Stock Exchange is ahead in bringing in new issuers - although the difference has narrowed this year - and especially in terms of liquidity. The average daily trading volume was 15.09 million euros at the BSE. On the WSE, on shares alone, in July the volume was 18.5 billion zlotys, i.e. an equivalent of 195.3 million euros per day (without the segment of bonds, certificates, structured products or derivatives). Liquidity is a particularly important chapter for the access of large investors, and where Romania still has a lot to recover. New listings, eventual inclusion in MSCI indices and the opening of the long-awaited derivatives market would go a long way towards closing the gap over time.

Conclusions

The last two years have been difficult for most companies, a period in which most companies have tried to recover from the crisis caused by the COVID-19 pandemic. Companies that had services/products that would allow them to move their business online increased sales this way and limited losses. This aspect of the adaptation of the marketing of services and products highlights the decisions of the company's management to optimize investments and focus on new projects. The success of some of the companies was also based on the financing decisions regarding the listing on the Bucharest Stock Exchange. Listing a company on the stock exchange improves its image in relations with partners, investors and the media. A listed company attracts the confidence of customers, suppliers and banks in its financial stability and in the products and services it offers. Also, a good image of a company helps to attract competent personnel.

It is also noteworthy that the companies have undergone a cost-effective and profit-maximizing decision-making process by reorienting the business to e-commerce and targeting new shareholders. In this sense, investments could be made in companies, but within the limits of the companies' budgets, forecasts and investments made by the stock market investors, which they did. Most companies have chosen to invest in the development of new products/services to keep up with market competitiveness. There was also a slight tendency to monopolize certain sectors, from the companies studied, after they were listed on the BVB.

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