Supporting Innovation in Hungary

EIB Group’s financial instruments for innovative businesses

MAM-Hungária Kft.

13 June 2016
Hungarian Academy of Sciences
1051 Budapest, Széchenyi István sqr. 9.
History – A global Company born in Vienna

- MAM was founded in 1976/77 by Peter Roehrig, a qualified plastics engineer
- The vision was to create unique high quality baby products that unify design, function and medical competence
- Today MAM is the leading design brand in baby care
- MAM has evolved from a Viennese (Austrian) company to a Global Multinational Niche Player
- MAM has grown from a single employee company to over 600 employees worldwide in Hungary 450 – MAM-Hungária Kft est. 1991. – 25 years
- MAM is the Market Leader in 10 Markets (USA, Denmark, Sweden, Norway, Finland, Czech Republic, Austria, Brazil, Israel & Chile)
- Steady Growth & Expansion over the last 35 years
MAM Long-Term Development

The chart below depicts the long-term revenue growth and stable Gross Profit margins.
Product Development Priorities

- Keep growing Pacifier/Oral Care business
- Grow Bottle business to the same level as Pacifiers
- Grow Breast Feeding Business disproportionately
Before 2016 (~ 8,000 m²)
Near Future 2016 – 2017 ...

~ 14,000 m²
Capital Plan

- €80m investment planned until 2018 within the EU
- Funded by €25m EIB InnovFin Funding and €55m own funds
- Expansion of Hungary Factory
- Construction of new R&D Center in Austria
- Part funding of R&D expenditure
- Acquisition of supporting businesses
MAM contract is the first transaction in Hungary supported by InnovFin – EU Finance for Innovators!

€25m facility – to support the expansion and growth of the business

Planned draw down in one tranche – option for €5m tranches

7 year loan unsecured

2 year capital repayment holiday

Semi-annual repayment tranches

Monitoring reports on group level – quarterly/annual

Very competitive rate
EIB Experience

- **Process:**
  - Presentation of the Business & Application form sent to EIB – good support from banking team at EIB
  - Detailed questions received – new presentation & EIB team presentations on site with senior management

- Commercial arrangements clear from the beginning

- Legal process mostly simple – EIB standard contract terms – received flexibility on covenants that made everyone comfortable

- Hungary specific issues delaying draw-down
  - Hungarian Central Bank authorisation may be needed if funds routed through Hungary into group companies outside Hungary
Questions are welcome

Csaba Novák
CFO
MAM-Hungária Kft.
H-9795 Vaskeresztes Fő út 132.
Mobile: +36/30/324-0097
Phone: +36/94/540-122
Fax: +36/94-351-014
E-mail: csaba.novak@mambaby.com
Web: www.mambaby.com
„Thank you for your attention!“