

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	HIRSCHMANN AUTO TECH SOLUTIONS
<u>Promoter and financial intermediary</u>	HIRSCHMANN AUTOMOTIVE GMBH
<u>Country of implementation</u>	Austria
<u>Summary project description</u>	<p>The automotive industry is experiencing a radical transformation, driven by a number of socio-economic trends and by increasing regulation requirements. These forces are driving the adoption of electrified powertrains and the deployment of vehicle connectivity, advanced driver assistance systems and autonomous driving technologies. OEMs and suppliers are, however, confronted with a context of increasing cost of compliance (due to emission regulations), growing competition, also from industry outsiders, and increasing complexity in the transition period. They are required to commit - at the same time - high and inflexible investments (capital and R&D expenditure) on multiple technologies (electrification, connectivity, advanced driver assistance systems, autonomous vehicle) and pushed to quickly redefine and align their strategies to avoid displacement, define and defend their future role in the value chain.</p> <p>Hirschmann Automotive, an RDI-intensive supplier to both the automotive and industrial automation industries, has been engaging with such industry transformations, also through continued technology investments, not only to preserve its business activity, but also to provide solutions and help its customers addressing such technology transformations. The company develops for its customers both the specific product solutions and the necessary special purpose machinery and equipment, as well as process solutions.</p> <p>The project concerns the promoter's investments in RDI on cables, connectors and sensors primarily for automotive and, partly, industrial applications, as well as in digitalization of production and digitalization and automation of intralogistic processes.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	11.04%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	100.00%
Projects that are in line with Horizon 2020	87.00%
Other research, development and innovation	13.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Moderate
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of supporting research, development and innovation (RDI) the project will support the promoter's investments in RDI on cables, connectors and sensors primarily for automotive and, partly, industrial applications, as well as in digitalization of production and digitalization and automation of intralogistic processes. The project falls under the scope of the EU Horizon 2020 programme and partially contributes to EIB's Climate Action objectives.

The financing of this project addresses a market failure and a suboptimal investment situation related to imperfect competition, limited investments and incomplete markets in the field of very innovative and still market-entry stage electrification, connectivity, driver-assistance and automated driving technologies. The RDI activities supported by this project will generate significant positive knowledge and environmental externalities.

The project is expected to be classified under the EIB Special Activities category, amongst others due to the inherent uncertainty of outcomes of the RDI investments and their future take-up by the market. As such, the EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The financing provided by the EIB with the support of EFSI is expected to result in a quality stamp on the operation. By contributing to commercial banks' confidence in the promoter's long-term sustainability, the EIB intervention will potentially crowd-in private sector financing.

This will be the first operation for the Bank with the promoter.

Set of indicators related to the macroeconomic environment

Austria - Economic environment

Economic Performance

	AT 2018	EU 2018	US 2018	AT 2001-2007
GDP per capita (EUR, PPS)	39,299.90	30,935.11	43,569.11	37,529.56
GDP growth (%)	2.73	1.97	2.86	2.29
Potential GDP growth (%)	1.79	1.60	2.24	2.20
Output gap (% of potential GDP)	0.99	0.62	0.74	0.04
Unemployment Rate (%)	4.60	6.60	3.90	4.93
Unemployment Rate (%) - Y/Y change (% points)	-0.80	-0.60	-0.20	0.09
Bank-interest rates to non-financial corporations (%)	1.24	1.26	--	3.90
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.14	-0.06	--	-0.21
Investment rate (GFCF as % of GDP) - Total	23.89	20.54	20.84	23.51
Investment rate (GFCF as % of GDP) - Public	2.98	2.86	3.31	2.67
Investment rate (GFCF as % of GDP) - Private	20.92	17.68	17.53	20.84

Environment and Climate

	2014	2015	2016	2017	EU (latest available)
GHG emissions level (emissions in 1990=100)	98.34	101.63	--	--	77.88
Employment in the environmental goods and services sector	157,106.00	158,417.00	157,920.00	--	4,451,000.00
Resource productivity (Euro per kilogram, chain linked volumes (2010))	1.66	1.71	1.67	--	2.07
GHG emissions in non-ETS sectors (base year=100)	84.80	86.70	89.00	90.20	89.20
GHG emissions in non-ETS sectors, distance to EU 2020 target	0.80	2.70	5.00	6.20	-1.50
Value added in the environmental goods and services sector (% of total VA)	4.14	4.06	4.21	--	2.27
Employment in the environmental goods and services sector (% of total employment)	45.63	45.65	44.70	--	22.74

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of motor vehicles, trailers and semi-trailers (% of total VA)	1.30	1.22	1.25	1.24	1.83
Employment in Manufacture of motor vehicles, trailers and semi-trailers (% of total employment)	0.73	0.73	0.74	0.77	1.08

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	3.08	3.05	3.13	3.16	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.68	0.71	0.63	0.60	0.94
Research and development expenditure - Government (% of GDP)	0.14	0.14	0.22	0.22	0.23

Research and development expenditure - Higher education (% of GDP)	0.73	0.72	0.69	0.70	0.45
Research and development expenditure - Business (% of GDP)	2.20	2.18	2.19	2.22	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	0.01	0.01	0.02	0.02	0.02
Eco-innovation index (EU =100)	103.00	105.00	109.00	113.00	100.00

Transport (General)

	2014	2015	2016	2017	EU (latest available)
Volume of passenger transport relative to GDP (Index 2000=100)	99.80	100.90	--	--	96.00
Volume of freight transport relative to GDP (Index 2000=100)	73.10	71.70	--	--	90.10
Share of GHG emissions from transport (% of total GHG emissions)	30.92	30.61	31.57	--	27.62

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007
- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.01.2020
End of works	31.12.2023
Project investment cost [MEUR]	137.26 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	137.26 MEUR
External EFSI multiplier	2.11
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	72.26 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	11.04% Mitigation - RDI (transversal)
Employment during construction - temporary jobs [person years]	1,116 person years
Employment during operation - new permanent jobs [FTE]	1,163 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.