

# EFSI Operation Scoreboard<sup>1</sup>

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	SCM WOODWORKING MACHINERY RDI 2021-24
<b><u>Promoter and financial intermediary</u></b>	SCM GROUP SPA
<b><u>Country of implementation</u></b>	Italy
<b><u>Summary project description</u></b>	<p>The proposed project, addresses four major trends the industry of machine tools is facing, namely (i) the innovation required in the development of efficient, reactive and connected factories and supply chains, (ii) the need of technologies and processes with low environmental impact, (iii) new integrated business models and (iv) the further development of human-centred production innovation. All these aspects have a direct impact on the promoter's operations and, as such, represent its main RDI drivers of the future years.</p> <p>The project concerns the promoter's Research, Development and Innovation (RDI) activities centred on three main components: (1) RDI activities on products, (2) RDI activities on internal manufacturing processes as well as (3) Digitalisation.</p>

<sup>1</sup> 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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
<b>Cross-cutting objectives</b>	
Climate Action	10.00%
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	100.00%
Projects that are in line with Horizon 2020	100.00%

### 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 sustainability<sup>2</sup>;
- (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.

<sup>2</sup> 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 RDI, including projects that are in line with Horizon 2020, the operation will support RDI related to the machinery industry. The project will enable the borrower to retain its leading knowledge and long-term competitiveness in the relevant market segments and thereby contribute to Europe's RDI, competitiveness and economic growth helping maintain highly skilled staff engaged in RDI activities in Europe.

The project addresses market failures related to insufficient investments in RDI despite positive externalities. The positive externalities are linked to knowledge and technology spillovers arising from investments in RDI. Moreover, a high degree of collaboration with industrial partners, universities, research centres and customers adds even further positive spillover effects to the wider industry. Furthermore, the EIB's support to the project addresses sub-optimal investment situation linked to the lack of long-term capital to finance inherently risky private sector RDI especially in a highly competitive industry such as the mechanical engineering industry.

The operation falls under the EIB Special Activities, in particular due to the long tenor of the financing provided, the RDI intensive nature of the operation as well as the volatile and highly competitive nature of the markets in which the borrower operates. 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 envisaged financing is expected to result in a quality stamp on the RDI programme providing comfort and a positive signalling effect to the market on the soundness of the company's strategy. This will enable the borrower to attract additional long-term financing from private investors and other banking lenders in the current financial context, characterised by major uncertainties caused by the Coronavirus outbreak. In addition, the project also benefits from EUR 4m grants from the EU in the context of several innovation programs e.g. H2020, Factory of the Future projects, FESR and EIT Manufacturing.

## Set of indicators related to the macroeconomic environment

### Italy - Economic environment

#### Economic Performance

	IT 2018	EU 2018	US 2018	IT 2001-2007
GDP per capita (EUR, PPS)	29,550.74	30,935.11	43,569.11	31,924.98
GDP growth (%)	0.86	1.97	2.86	1.17
Potential GDP growth (%)	0.46	1.60	2.24	1.05
Output gap (% of potential GDP)	-0.12	0.62	0.74	1.55
Unemployment Rate (%)	10.40	6.60	3.90	7.64
Unemployment Rate (%) - Y/Y change (% points)	-0.50	-0.60	-0.20	-0.43
Bank-interest rates to non-financial corporations (%)	1.05	1.26	--	3.81
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.09	-0.06	--	0.02
Investment rate (GFCF as % of GDP) - Total	17.97	20.54	20.84	21.07
Investment rate (GFCF as % of GDP) - Public	2.11	2.86	3.31	2.88
Investment rate (GFCF as % of GDP) - Private	15.86	17.68	17.53	18.19

#### General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Manufacture of machinery and equipment (% of total VA)	2.36	2.36	2.39	2.40	1.86
Employment in Manufacture of machinery and equipment (% of total employment)	1.89	1.88	1.90	1.90	1.33

- 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 indicators<sup>3</sup>

Key project characteristics	Expected value at PCR
Start of works	01.01.2021
End of works	31.12.2024
Project investment cost [MEUR]	100.50 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	96.50 MEUR
External EFSI multiplier	1.93
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	46.50 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]	4.00 MEUR
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	10.00% Mitigation - RDI (transversal)
Employment during construction - temporary jobs [person years]	1,600 person years
Employment during operation - new permanent jobs [FTE]	400 FTE

<sup>3</sup> 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.