

EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	MIDCAP PROGRAMME LOAN ITALY
<u>Promoter and financial intermediary</u>	ACCEPTABLE CORPORATE(S)
<u>Country of implementation</u>	Italy
<u>Summary project description</u>	<p>The proposed Programme Loan ("PL") aims at facilitating access to direct EIB lending for Mid-Caps and, to a lesser extent, SMEs with high financing needs (e.g. capital-intensive or extensive RDI-based businesses) mainly in Italy. Eligible projects in Slovenia, Croatia, Malta may also be financed, as well as cross-border projects encompassing other EU countries.</p> <p>The proposed PL aims at:</p> <ul style="list-style-type: none"> • Increasing the availability of direct financing for Mid-Caps and SMEs with high financing needs, mainly reaching to new counterparties to the Bank and for amounts possibly higher than the maximum amount of EIB finance under MBILs; • accelerating and/or mobilising private sector investments, by complementing the traditional financing sources available to the companies, improving also their contractual terms; • supporting growth and competitiveness of Mid-Caps and SMEs in a wide range of industries, generating positive social impact through the preservation and creation of employment, particularly in Cohesion regions.

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 the 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	
EIB Cohesion Priority Regions / Economic and Social Cohesion	40.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	100.00%
Provision of working capital and investment	50.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	50.00%

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 four indicators which include:

- (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.

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 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

The proposed PL will respond to the EFSI objective of increased access to financing for entities having up to 3 000 employees as it aims at supporting investments to be carried out by Mid-Caps and also by large SMEs in Italy and potentially in Slovenia, Croatia and Malta for more limited amounts. Mid-Caps in the EU and in the Member States targeted by the PL form a crucial element in the value chains, account for a large share of EU's GDP and some two-thirds of employment.

In spite of the current more favorable financial markets conditions, availability of long-term unsecured financing and alternative funding sources for Mid-Caps is constrained. For instance, a large portion of Mid-Caps in Italy are prevented from accessing capital markets mainly due to their capital structure, size and lack of external ratings. Investments in growth and innovation are thus limited as these are generally funded by the companies' own resources and commercial bank's financing. Such loans are usually made available for tenors shorter than the economic life of the projects, in limited amounts and with high security requirements especially if companies are recovering from distressed situations. Moreover, Mid-Caps generally fall in the gap between the various EU and national financing facilities targeting SMEs and the programmes aimed at financing Large Corporates.

The companies to be supported by the proposed PL will be mostly new counterparts to the EIB and will likely fall below Investment Grade category. Therefore, the operations to be financed will qualify as Special Activity, also in light of the longer tenors made available and the higher risk linked with the nature of the projects (e.g. based on innovative technologies and/or intensive R&D). Due to these risks, the EIB could not have supported these companies to the same extent without the support of EFSI.

Set of indicators related to the macroeconomic environment

Italy - Economic environment

Economic Performance

	IT	EU	US	IT
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	28,097	29,440	42,615	31,501
GDP growth (%)	0.88	1.9	1.6	1.2
Potential GDP growth (%)	-0.33	1.3	2.1	1.1
Output gap (% of potential GDP)	-1.7	-0.75	-0.03	1.3
Unemployment Rate (%)	11.8	8.2	4.7	7.6
Unemployment Rate (%) - Y/Y change (% points)	0.2	-0.8	-0.3	-0.44
Bank-interest rates to non-financial corporations (%)	1.1	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.33	-0.21	-1.4	0.02
Investment rate (GFCF as % of GDP) - Total	17.0	19.7	19.6	21.1
Investment rate (GFCF as % of GDP) - Public	2.1	2.7	3.4	2.9
Investment rate (GFCF as % of GDP) - Private	14.9	17.0	16.2	18.2

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	44.1	45.5	26.5	24.4	20.9
Availability of Private equity (Thousand euro)	3,106,978	2,865,297	3,115,079	5,793,285	50,091,574
Availability of Venture Capital (Thousand euro)	75,044	39,922	71,744	87,547	4,035,807

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial corporations" 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 at PCR
Start of works	01.01.2018
End of works	31.12.2022
Project investment cost	800.00 MEUR
EIB/EFSI eligible investment mobilised	800.00 MEUR
External EFSI multiplier	2.67
External EIB (non-EFSI) multiplier	
Amount of private financing	
Quick start (% of expenditure during 2015-2018)	20.00 %
Co-financing with national promotional banks	
Co-financing with structural funds (ESIF)	
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	
Employment during construction - temporary jobs	0 person years
Employment during operation - new permanent jobs	0 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.