



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	NORMANDIE HORIZON
<b><u>Promoter or financial intermediary</u></b>	NORMANDIE PARTICIPATIONS
<b><u>Country of implementation</u></b>	France
<b><u>Summary project description</u></b>	<p>Normandie Horizon S.A.S. ("NH" or "the Fund") is formed to provide senior, subordinated and quasi-equity loans (e.g. participating and/or convertible loans, etc.) to SMEs based or active in the region of Normandie. The target size of NH will be EUR 40m, with a first closing at EUR 20m. NH is capitalised by the Region's investment arm Normandie Participations SAS ("NP") for up to EUR 14m and by private French Banks (including Crédit Agricole) for up to EUR 6m, both through equity contributions.</p> <p>NH will have a generalist approach concerning sectors, type of businesses or projects: beneficiaries may include service providers, manufacturers, distributors, industry players etc. in line with the Normandie region's areas of know-how. Support to innovative/early stage projects will not exceed 25% of the deployed capital while growth capital transactions will represent at least 75%. At target size, NH is expected to provide financing to between 70 and 80 regional SMEs with an average ticket size of approx. EUR 500k.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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**

<b>Contribution to EU policy</b>	<b>Significant</b>
<b>Cross-cutting objectives</b>	
EIB Cohesion Priority Regions / Economic and Social Cohesion	50.00%
<b>EFSI</b>	
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 risk financing from seed to expansion stages for SMEs, start ups, small mid cap companies and mid cap companies, to ensure technological leadership in innovative and sustainable sectors	100.00%

### **Pillar 2**

<b>Quality and soundness of the project</b>	<b>Good</b>
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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### **Pillar 3**

<b>EIB Technical and financial contribution to the project</b>	<b>High</b>
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.*

<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***

This operation, structured as an EFSI Investment Platform, contributes to the EFSI objective to support lending to SMEs by Normandie Horizon SAS. Through this operation, the targeted final beneficiaries will benefit from an increasing access to finance for this market segment in France (for working capital and investment purposes).

The operation addresses an existing market gap in providing support to French SMEs, which experience lasting difficulties in accessing long-term / subordinated finance, in regions of Normandie still recovering from the financial and economic crisis. This operation will respond to a sub-optimal investment situation as those counterparts are facing constrained access to financing preventing them from realising their investment projects. Although access to finance and financing conditions have improved, the majority of French SMEs in those regions are still experiencing access to finance as a barrier for growth.

The operation has a relatively high level of risks as final beneficiaries will include a significant portion of early-stage projects and innovative SMEs. Moreover, NH will invest mostly by way of subordinated and quasi-equity loans. The operation will release additional private sector financing thanks to the combined support of EFSI and public regional funds offering subordinated financing. The final beneficiaries will in turn invest further own resources for necessary investments in their businesses.

With the features of the Investment Platform, the EIB risk is higher than what EIB would have normally accepted for this type of structuring, and EIB would not have been in a position to offer its support under the same conditions absent of the EFSI guarantee.

Thanks to the EFSI support, the EIB will support the investments of eligible SME final beneficiaries across a variety of regions and sectors, hence contributing to sustainable growth and job creation in France. EIB's involvement will expand considerably the investment capacity of the regional funding vehicle by catalysing further resources from the public sector (and at SME level from the private sector). EIB's attractive long term funding will be passed on to SMEs through Normandie Horizon and materialise through lower interest rates, longer tenors, higher risks taken inter alia.

EIB has been at the forefront of the design and the implementation of Normandie Horizon. This project would certainly not even exist without EIB's involvement.

## Set of indicators related to the macroeconomic environment

### France - Economic environment

#### Economic Performance

	FR 2016	EU 2016	US 2016	FR 2001-2007
GDP per capita (EUR, PPS)	30,910	29,440	42,615	30,572
GDP growth (%)	1.2	1.9	1.6	1.9
Potential GDP growth (%)	1.1	1.3	2.1	1.8
Output gap (% of potential GDP)	-1.3	-0.75	-0.03	1.9
Unemployment Rate (%)	10.1	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.1	-0.8	-0.3	-0.19
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.5
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.19	-0.21	-1.4	0
Investment rate (GFCF as % of GDP) - Total	21.9	19.7	19.6	21.7
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	3.9
Investment rate (GFCF as % of GDP) - Private	18.4	17.0	16.2	17.8

#### SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	24.2	22.6	21.2	13.4	20.9
Availability of Private equity (Thousand euro)	8,902,096	10,753,230	11,899,567	12,456,799	50,091,574
Availability of Venture Capital (Thousand euro)	639,937	570,907	796,020	816,630	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 indicators<sup>3</sup>****Key project characteristics**

	Expected at PCR
Start of works	
End of works	
Project investment cost	40.00 MEUR
EIB/EFSI eligible investment mobilised	93.25 MEUR
External EFSI multiplier	4.67
External EIB (non-EFSI) multiplier	
Amount of private financing	6.00 MEUR
Quick start (% of expenditure during 2015-2018)	15.00 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	0.00 MEUR
Energy efficiencies realised	
Climate Action indicator	
Employment during construction - temporary jobs	
Employment during operation - new permanent jobs	

<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.