



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	ERAMET R&D AND DIGITALISATION INVESTMENTS
<u>Promoter or financial intermediary</u>	ERAMET SA
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The project is in line with the promoter's strategy to strengthen its competitiveness and sustainability through technological innovation and digital transformation. The aim is to continuously improve the ore extraction and metal manufacturing process and to support the launch of the promoter's digital transformation in order to increase its operational efficiency, traceability and overall competitiveness. Specifically: (i) the RDI activities will focus on developing higher strength products with lower weight and new super alloys and titanium metal powders for additive manufacturing, further adding value to customers, (ii) the promoter's mining and metallurgical manufacturing processes will be further optimised and new hydrometallurgical processes for Lithium extraction from the promoter's brines will be developed, (iii) the project will increase operational productivity, safety, efficiency and responsiveness through its ambitious digitalisation program.</p> <p>Historically, Eramet included three different companies that today correspond to its three business divisions (manganese, nickel and alloys). These have been run quite independently and thus have diverging digital legacies and approaches. Brownfield IT legacy has been identified as one of the major barriers of digitalisation in the EU. The promoter's digitalisation programme will entail the homogenisation of its enterprise resource planning (ERP) and manufacturing execution systems (MES) across its business divisions as well as across the different operational levels, e.g.: plant operations, supply chain management, HR, accounting and billing, financial control. Once implemented these homogeneous digital solutions will be the backbone of the promoter's future digital applications and enable a 'seamless' fully horizontal and vertical connectivity required to be in line with industry 4.0. This, in combination with the establishment of central data collection centres and data scientists, will enable the implementation of innovative applications organisation-wide to help solve historically recurring technical problems, increase operational efficiency in its mining operations and improve safety at the workplace, among other things.</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 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 [...].

	<p>The project covers the promoter's: (i) RDI activities and (ii) digital transformation efforts. The project covers a broad range of activities. For the RDI component, these include i) innovation and improvement on industrial nickel manufacturing processes, ii) innovation and improvement of industrial manganese manufacturing processes, iii) development of new products for the alloy business unit, iv) modelling and optimization of hot and cold thermomechanical processing and transformation processes, v) developments and innovation in relation to additive manufacturing and vi) process development for the group's strategic external growth projects. The digitalisation component includes: i) IT structure and enterprise resource planning system homogenisation, ii) manufacturing execution system and operations centres, iii) advanced manufacturing and mobility solutions and iv) data analytics centres.</p>
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PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
EIB Cohesion Priority Regions / Economic and Social Cohesion	16.00%
Climate Action	8.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	50.00%
Projects that are in line with Horizon 2020	50.00%
EFSI: Development and deployment of information and communication technologies	50.00%
Digital content - internet of things	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	Significant
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

In line with the EFSI objectives of promoting research, development and innovation (RDI) and information and communication technologies, this operation supports projects in [...] that are in line with Horizon 2020 and that relate to digital content, namely the internet of things. At the same time, more than 15% of the operation will be located in regions eligible under the EU Cohesion Policy, Les Ancizes and Pamier, thus also contributing to the Union's priorities on convergence and social cohesion. The project will also contribute to climate action objectives through greenhouse gas (GHG) emissions savings and improved energy efficiency in manufacturing processes, resulting from increases in furnace efficiency and the development of new hydrometallurgical processes for lithium manufacturing.

EFSI support allows the EIB to continue its support to Eramet, one of the world's leading producers of non-ferrous metals such as manganese ores, and manganese and nickel alloys. EIB financing under EFSI supports the company's RDI investments until 2021, which will contribute to increasing the promoter's knowledge and know-how in the field of metal technology, new materials and alloys, and to improving the energy efficiency and environmental impact of the promoter's extraction, and metallurgical and transformation processes. In addition, it is also expected that the project will accelerate the accumulation and diffusion of knowledge in Europe, through the promoter's collaboration with universities and industrial partners from a range of industries such as aerospace and engine suppliers. The project will also support the promoter's digital transformation by setting up, among others, a highly skilled analytics centre in France. Through this RDI project and the resulting knowledge creation, the promoter is expected to contribute to increasing the technological competence and leadership of the European metallurgy industry and therefore the sustainable growth and employment in Europe.

[...]

[...]

The EIB loan under EFSI is expected to provide a comfort and positive signalling effect to the market on the soundness of the borrower's strategy and a catalytic effect by strengthening lenders' confidence in the borrower's capacity to pursue its growth objective by accessing affordable debt. Overall, EFSI support is key to creating an investment-enabling environment and promote the project to be launched and accelerated. The project is also expected to benefit, to a lower extent, from EU R&D grant support.

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

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Mining and quarrying (% of total)	--	--	--	--	0.9
Employment in Mining and quarrying (% of total)	--	--	--	--	0.3

Research, development and innovation

	2013	2014	2015	2016	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.2	2.2	2.2	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.76	0.76	0.77	--	0.97
Research and development expenditure - Government (% of GDP)	0.29	0.29	0.29	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.47	0.46	0.45	--	0.47
Research and development expenditure - Business (% of GDP)	1.5	1.5	1.5	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0.03	0.03	0.03	--	0.02
Eco-innovation Index (EU =100)	108.0	112.0	115.0	--	100.0

- 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	31.12.2021
Project investment cost	277.10 MEUR
EIB/EFSI eligible investment mobilised	275.50 MEUR
External EFSI multiplier	2.30
External EIB (non-EFSI) multiplier	
Amount of private financing	155.50 MEUR
Quick start (% of expenditure during 2015-2018)	[...]
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)	1.60 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	8.00% Mitigation - RDI (transversal)
Employment during construction - temporary jobs	1,544 person years
Employment during operation - new permanent jobs	30 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.