

EBRD supporting cross-border activities of Czech companies

September 2017



European Bank
for Reconstruction and Development

Manufacturing & Services at the EBRD



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€11.5bn
invested through
621 projects
since 1991

Active portfolio
of **237 projects**
or **€3.8 billion**

2016:
€773 million
invested through
55 projects

Manufacturing & Services – Who we are?



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- 60 bankers of 25 different nationalities
- 40 bankers based in the Bank's countries of operation to serve clients locally
- 8 industry centres of excellence to provide in-depth expertise with lead bankers and sector experts
- The team has completed 621 projects with total commitments of €11.5 billion with a current active investment portfolio of €3.8 billion
- In 2016, the team completed 55 projects with commitments of €773 million
- The team has significant experience with complex projects in various industries through project finance, Energy Efficiency, restructurings, cross-border expansion and privatisations

Note: as at 31 December 2016

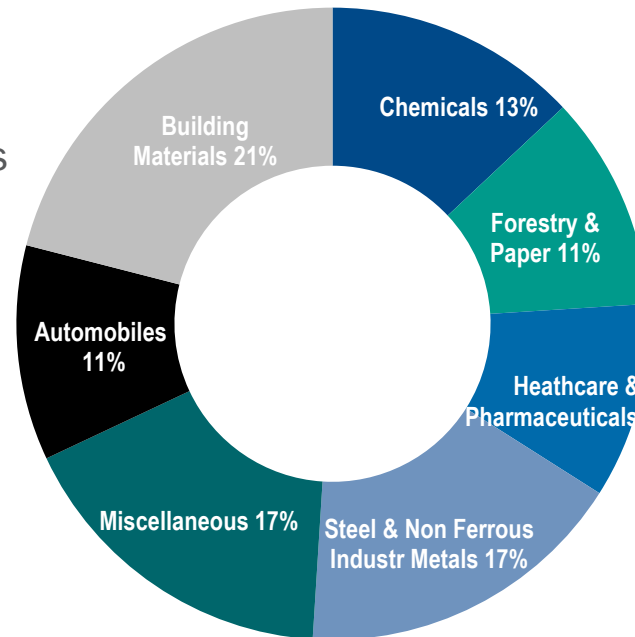
Manufacturing & Services - Sectors



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Strategic priorities/investment opportunities / areas

- Automotive
- Chemicals
- Building Materials
- Forestry and Paper
- Steel and non-ferrous industrial metals
- Healthcare and Pharmaceuticals
- Aerospace
- Non-consumable goods and Retail



Portfolio by sub sector

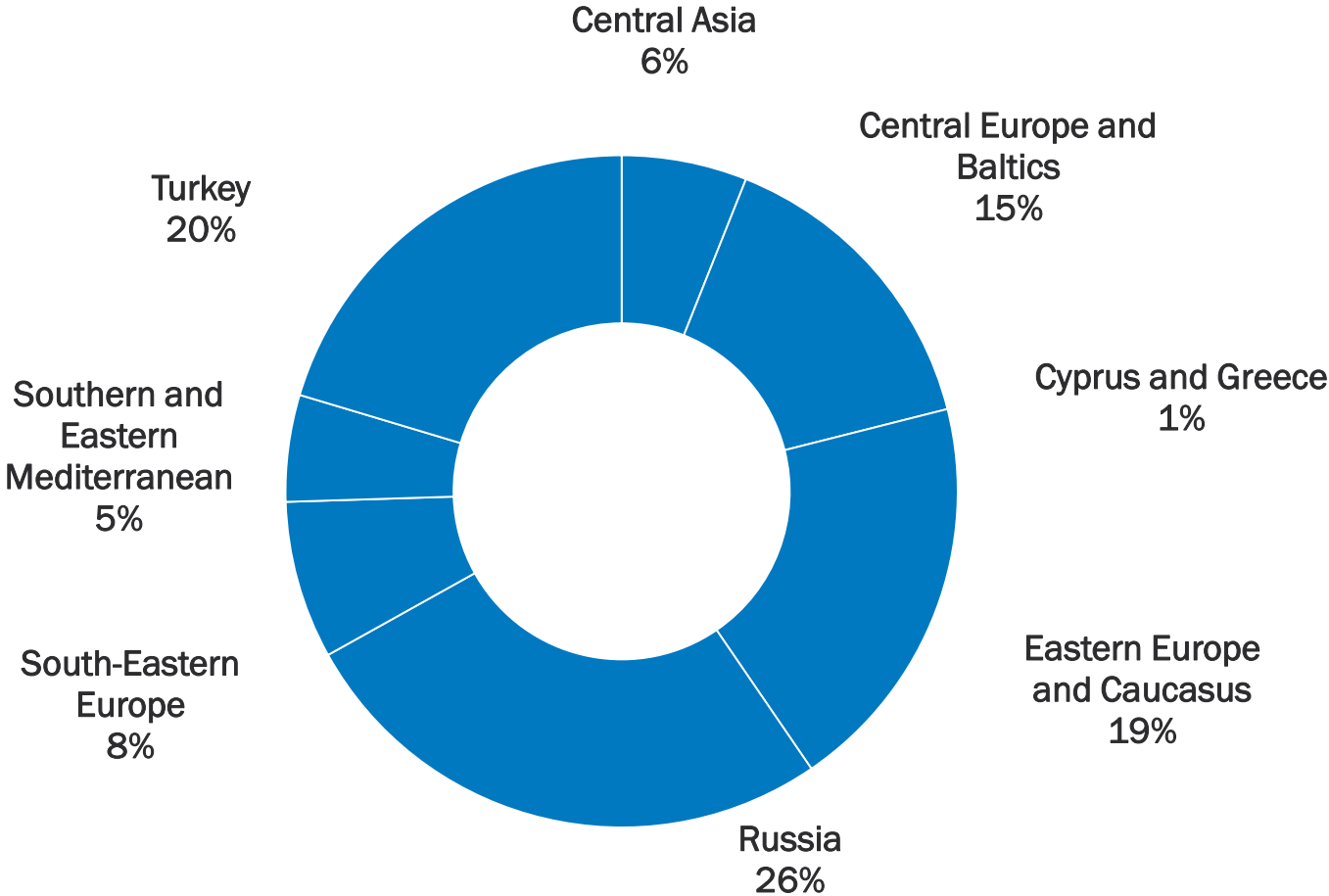


Note: as at 31 December 2016

Manufacturing & Services - Geographies



Well diversified geographical distribution of the portfolio, with new geographies recently added (MENA) and well grounded in CEE.



WHY EBRD in M&S?

- Special EBRD Qualities



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- High risk appetite: EBRD operates commercially but has a higher risk appetite than the private sector (longer tenors, local currency loans and other tailor-made products)
- Special Features beyond financing: EBRD as a Partner Bank capable of :
 - providing long term relationship, especially in difficult times (*financial crisis, political instability*)
 - extra liquidity during the crisis
 - facilitating cooperation between the company and the commercial banks
 - no conflicting interests with the commercial banks in syndicated loans/ no daily banking
 - cooperation with authorities/ regulators
- EBRD is willing to provide political comfort to the project and the investors with respect to expansion in the country and abroad (X-border transactions) ...

WHY EBRD in M&S?

- X-border transactions



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Key Assumptions:











- Local companies expanding outside their home markets into other EBRD countries of operations
- Financing from a reputable partner bridging both markets – can be more efficient than financing available at the target country (if available at all) to a foreign investor
- EBRD can provide political comfort to the project and investors (in line with its mandate) based on a preferred creditor status
- EBRD participation can also give comfort to co-financing institutions from the country of origin :
 - lower the target country risk/ balanced pricing
 - local presence of EBRD / relationship with a host country/ policy dialogue
 - increased credibility of an investor on the new/ unknown market

Manufacturing & Services in CEE

– selected projects (2015/2016)



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	Company	Country	Size(EUR mln)	Type of financing
	Telefonika	Poland	69	Refinancing / capex / R&D/M&A UK
	AluflexPack	Croatia	20	Capex / working capital/XB
	UACE	Romania	25	Capex / expansion/XB
	Velvet Care	Poland	19	Capex / expansion
	Draexlmaier	Regional	40	Capex/ regional/XB
	Delmax	Serbia	1	M&A/ debt repayment
	Hospital in Zywiec	Poland	10	Capex / PPP
	EcoBaltia	Latvia	10	Capex / R&D
	Slovenian Steel	Slovenia	40	Bond financing/ capex
	Wirtualna Polska	Poland	7	IPO/ capex / M&A / debt repayment

Manufacturing & Services in CEE

– selected projects (2015/2016)



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	Company	Country	Size(EUR mln)	Type of financing
	Salonit	<i>Slovenia</i>	15	Capex / Energy Efficiency (EE)
	American Heart of Poland	<i>Poland</i>	25	M&A/ debt repayment
	Orbico	<i>Croatia</i>	20	Capex / working capital/XB
	Selena	<i>Poland</i>	10	Foreign expansion / capex/XB
	Gomma Line	<i>Serbia</i>	1	Capex / working capital
	Synthos	<i>Poland</i>	50	Capex / R&D
	Arctic Paper	<i>Poland</i>	30	Refinancing / capex /XB
	Tameh/ Arcelor Mittal	<i>Poland</i>	75	Capex/ Energy Efficiency
	Grupa Azoty	<i>Poland</i>	37	Capex
 SONACA YOUR RELIABLE AEROSPACE PARTNER	Sonaca	<i>Romania</i>	9	Capex/ greenfield /XB

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Other Regions – selected projects



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	Company	Country	Size(EUR mln)	Type of financing
	<i>MS Pharma</i>	<i>Jordan</i>	50	Equity
	<i>Cemex</i>	<i>Egypt</i>	50	Loan
	<i>Hikma</i>	<i>North Africa</i>	38	Loan
	<i>Kronospan</i>	<i>Ukraine</i>	89	Syndicated Loan
	<i>Sisecam</i>	<i>Turkey/Bulgaria</i>	90	Loan
	<i>Vestel</i>	<i>Turkey</i>	50	Loan
	<i>Arcelor Mittal</i>	<i>Kazakhstan</i>	73	Loan
	<i>Continental</i>	<i>Russia</i>	90	Loan
	<i>Holcim</i>	<i>Azerbaijan</i>	120	Loan
	<i>Abraaj Hospitals</i>	<i>Egypt/Tunesia</i>	25	Equity

Case Study – Barlinek Cross Border Expansion



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Barlinek Invest (Ukraine)

- Sponsor: Barlinek S.A.
- Debt and portage equity (15% stake) for the total amount of EUR 60m
- Cross border expansion to Ukraine (greenfield/ project finance), CAPEX & W/C
- Syndication carried out by EBRD in Poland (Unicredit, Calyon)
- Off-shore structure
- Sponsor completion guarantee
- Role of EBRD:
 - long term financing organised in Poland on attractive terms (given the risks)
 - increased security of the Ukrainian project for Cersanit
 - policy dialogue, relationship with local authorities

Case Study – Rovese Cross Border Expansion



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Cersanit Invest (Ukraine)

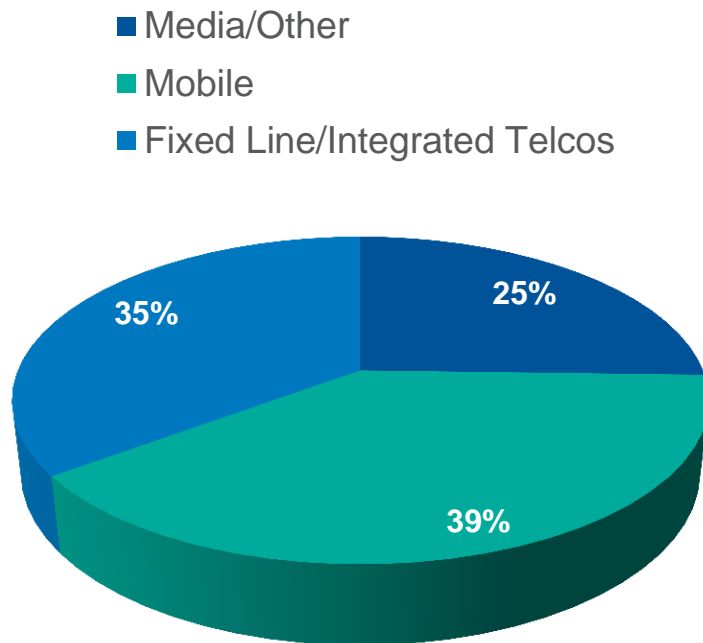
- Sponsor: Cersanit S.A.
- Debt and portage equity (15% stake) for the total amount of EUR 81m
- Cross border expansion to Ukraine (greenfield/ project finance)
- Syndication carried out by EBRD in Poland (Unicredit Pekao, Calyon)
- Off-shore structure
- Sponsor completion guarantee
- Role of EBRD:
 - long term financing organised in Poland on attractive terms (given the risks)
 - increased security of the Ukrainian project for Cersanit
 - policy dialogue, relationship with local authorities

Information and Communication Technologies Team Portfolio



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- Cumulative financing to date: €3.3 billion
- Current portfolio: €0.8 billion
- Over 152 deals ranging from a few million to over 180 million EURO in 34 CEE/CIS countries










































Selected Subsectors

- Mobile & fixed line
- ISPs
- Cable TV
- Towers
- MVNO
- Satellites
- Fibre
- Wireless broadband
- Data centers
- Pay-TV
- Mobile payments
- IT services
- Software developers
- Systems integrators
- Call centers
- Cinema chains
- Outdoor advertising
- Internet
- Cleantech
- Semiconductors

Selected projects the ICT team executed in the past across all countries of operations (1/2)




























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 <p>Serbia</p> <p>Sovereign Guaranteed Loan</p> <p>Euro 24 million</p>  <p>2014</p>	 <p>Poland and Turkey</p> <p>Equity Co-Investment</p> <p>Euro 10 million</p>  <p>2014</p>	 <p>Turkey</p> <p>Equity Investment via Venture Capital Facility</p> <p>USD 8.4 million</p>  <p>2014</p>	 <p>Russia</p> <p>Equity Investment via Venture Capital Facility</p> <p>Amount confidential</p>  <p>2014</p>	 <p>Turkey</p> <p>Loan</p> <p>USD 50 million</p>  <p>2014</p>	 <p>Russia</p> <p>Equity Investment via Venture Capital Facility</p> <p>Amount confidential</p>  <p>2014</p>
 <p>Regional Equity Co-Investment</p>  <p>Euro 50 million</p>  <p>2013</p>	 <p>Russia</p> <p>Equity Co-Investment with</p>   <p>USD 25 million</p>  <p>2013</p>	 <p>Romania</p> <p>Syndicated Loan</p> <p>Euro 75 million</p>  <p>2013</p>	 <p>Turkey</p> <p>Equity Investment via Venture Capital Facility</p> <p>Amount confidential</p>  <p>2013</p>	 <p>Turkey</p> <p>Loan</p> <p>Euro 9.5 million</p>  <p>2013</p>	 <p>Tunisia</p> <p>Loan</p> <p>Euro 5 million</p>  <p>2013</p>
 <p>Turkey</p> <p>Loan</p> <p>Euro 100 million</p>  <p>2012</p>	 <p>Russia</p> <p>Equity Investment via Venture Capital Facility</p> <p>Amount confidential</p>  <p>2012</p>	 <p>Regional</p> <p>Loan</p> <p>Euro 43 million</p>  <p>2012</p>	 <p>Romania</p> <p>Loan</p> <p>Euro 15 million</p>  <p>2012</p>	 <p>Poland</p> <p>Equity Investment</p> <p>Euro 200 million</p>  <p>2011</p>	 <p>Russia</p> <p>Investment in Bond Offering</p>  <p>2011</p>

Selected projects the ICT team executed in the past across all countries of operations (2/2)



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 <p>Serbia Convertible debt and Equity Euro 7.5 million</p>  <p>2009</p>	 <p>Russia Equity Investment Euro 30 million</p>  <p>2011</p>	 <p>Russia Convertible Loan USD 20 million</p>  <p>2010</p>	 <p>Russia Syndicated Loan Euro 258 million</p>  <p>2009</p>	 <p>Russia Equity Investment USD 11 million</p>  <p>2009</p>	 <p>Poland & Balkans Loan and Equity Investment Euro 22 million</p>  <p>2009</p>
 <p>Regional Fund Investment USD 30 million</p>  <p>2009</p>	 <p>Albania Privatization - Syndicated Loan Euro 27 million</p>  <p>2008</p>	 <p>Poland Privatization – Equity Investment Euro 49 million</p>  <p>2008</p>	 <p>Regional Equity Investment Euro 20 million</p>  <p>2008</p>	 <p>Georgia & Bulgaria Loan and Equity Investment USD 35 million</p>  <p>2008</p>	 <p>Russia Loan and Equity Investment USD 35 million</p>  <p>2007-2008</p>
 <p>Ukraine Equity Investment Euro 22.3 million</p>  <p>2007</p>	 <p>Kazakhstan Syndicated Loan Euro 130 million</p>  <p>2005-2007</p>	 <p>Bulgaria Equity Investment Euro 3 million</p>  <p>2006</p>	 <p>Regional Syndicated Loan EUR 50 million</p>  <p>2006</p>	 <p>Bulgaria Privatisation – Loan and Equity Investment Euro 93 million</p>  <p>2004</p>	 <p>Serbia Loan and Equity Investment Euro 17 million</p>  <p>2004</p>

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