

EBRD Agribusiness Financing Opportunities
November 2016



European Bank
for Reconstruction and Development

PUBLIC

Introduction to the EBRD

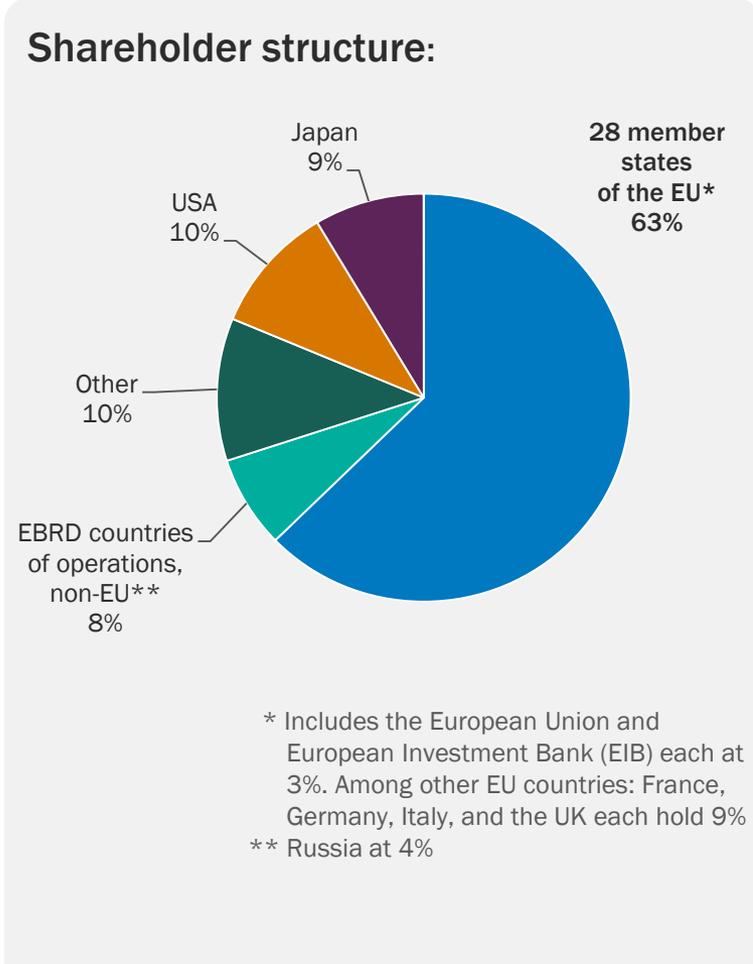
An international financial institution established in **1991**, owned by **65 countries and 2** inter-governmental organisations (**EU and EIB**)

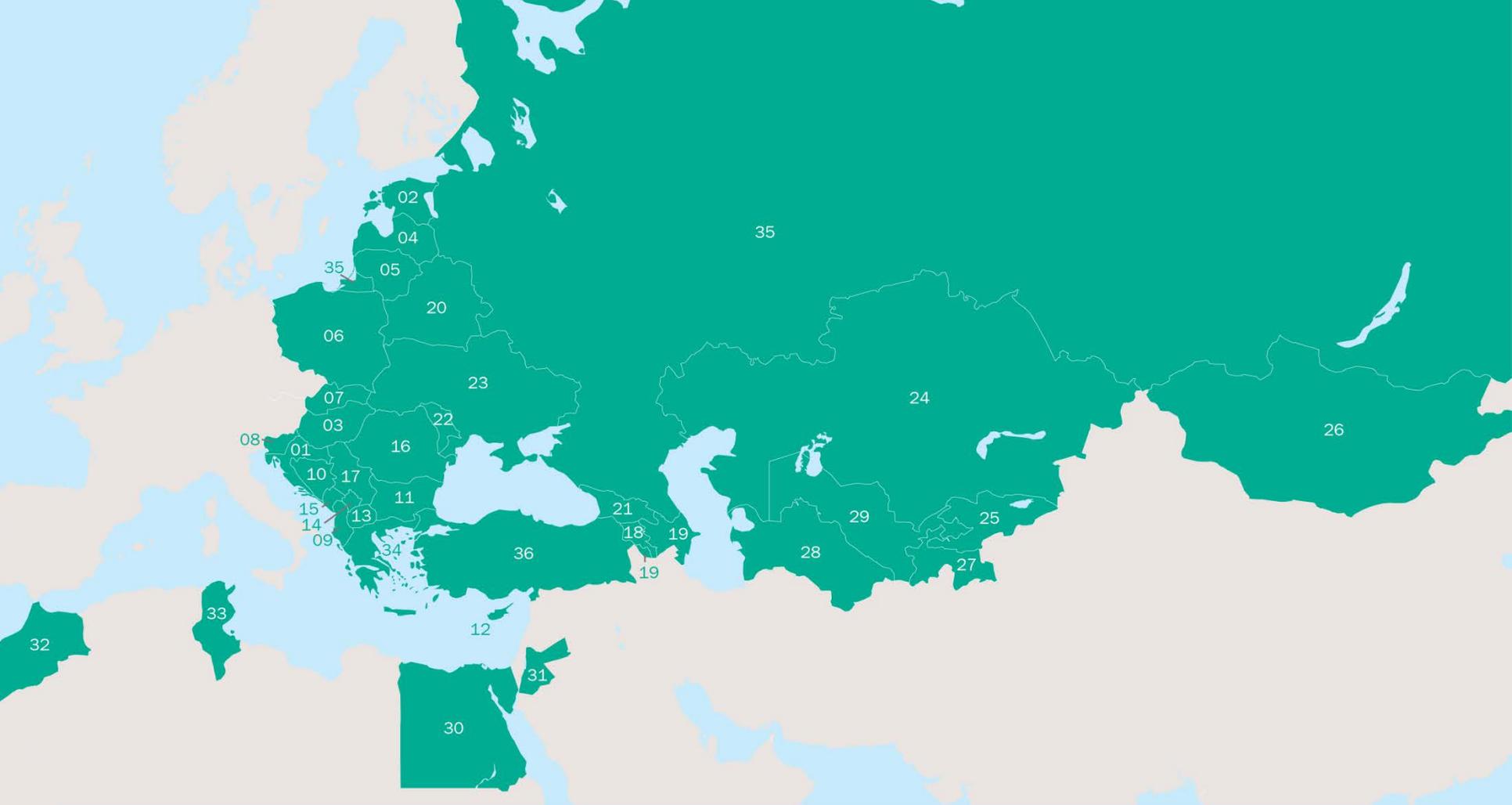
Capital base of over **€30 billion**

Highest **credit rating (AAA/Aaa)** from all three main rating agencies (S&P, Moody's and Fitch)

Invests in **36 countries** across Eastern Europe, Central Asia and the Southern and Eastern Mediterranean

- Promotes **transition** to market economies by investing mainly in the private sector
- Mobilizes foreign direct investment
- Encourages **environmentally sound and sustainable development**





WHERE WE INVEST

Central Europe and the Baltic states

- 01 Croatia
- 02 Estonia
- 03 Hungary
- 04 Latvia
- 05 Lithuania
- 06 Poland
- 07 Slovak Republic
- 08 Slovenia

South-eastern Europe

- 09 Albania
- 10 Bosnia and Herzegovina
- 11 Bulgaria
- 12 Cyprus
- 13 FYR Macedonia
- 14 Kosovo
- 15 Montenegro
- 16 Romania
- 17 Serbia

Eastern Europe and the Caucasus

- 18 Armenia
- 19 Azerbaijan
- 20 Belarus
- 21 Georgia
- 22 Moldova
- 23 Ukraine

Central Asia

- 24 Kazakhstan
- 25 Kyrgyz Republic
- 26 Mongolia
- 27 Tajikistan
- 28 Turkmenistan
- 29 Uzbekistan

Southern and eastern Mediterranean

- 30 Egypt
- 31 Jordan
- 32 Morocco
- 33 Tunisia

34 Greece

35 Russia

36 Turkey

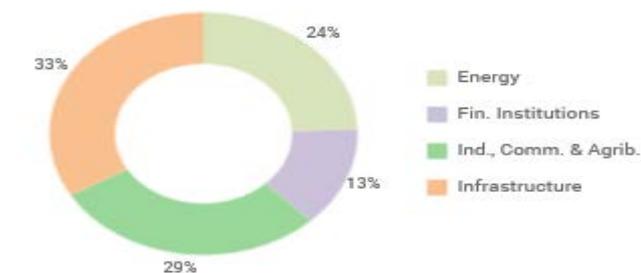
At a glance

Number of projects to date	382
Net cumulative Bank investment	€7,186m
Cumulative disbursements	€6,509m
Portfolio	€1,976m
Number of active portfolio projects	175
Operating assets	€1.667m
Private sector share of portfolio	63%
Equity share of portfolio	20%

As of December 2015

Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and Operations

€ million at reported rates



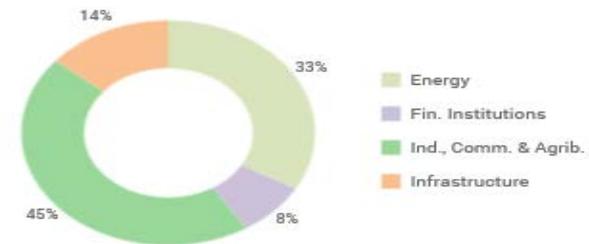
At a glance

Number of projects to date	231
Net cumulative Bank investment	€3,039m
Cumulative disbursements	€2,783m
Portfolio	€817m
Number of active portfolio projects	88
Operating assets	€676m
Private sector share of portfolio	88%
Equity share of portfolio	15%

As of December 2015

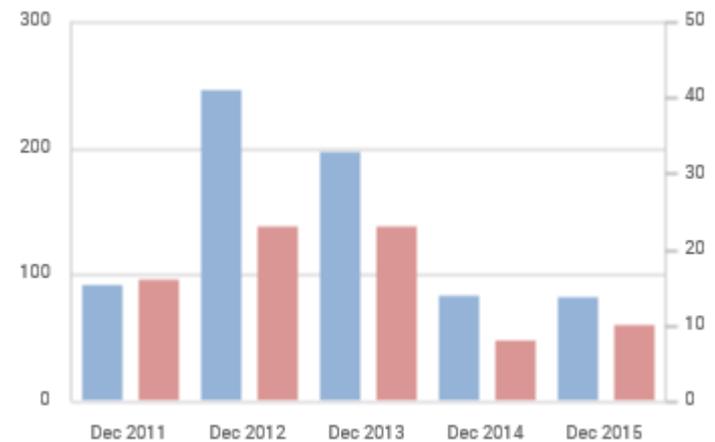
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and Operations

€ million at reported rates



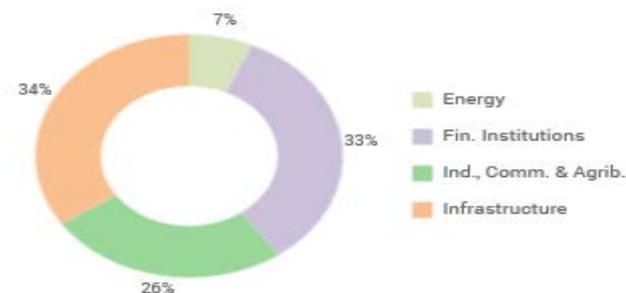
At a glance

Number of projects to date	182
Net cumulative Bank investment	€3,264m
Cumulative disbursements	€2,900m
Portfolio	€1,128m
Number of active portfolio projects	93
Operating assets	€879m
Private sector share of portfolio	69%
Equity share of portfolio	13%

As of December 2015

Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and Operations

€ million at reported rates



EBRD offers an array of tailored financial products



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Debt

- Senior, subordinated, convertible
- Long term (up to 10 years or more) or short term revolving
- Floating or fixed rates
- Choice of currencies (RON, EUR, USD)
- Internal syndication team
- Access to capital markets

Equity

- Common stock or preferred
- Minority position only (not more 35%)
- Mezzanine debt and subordinated debt
- Others:
 - Guaranties
 - Currency swaps

Technical Cooperation

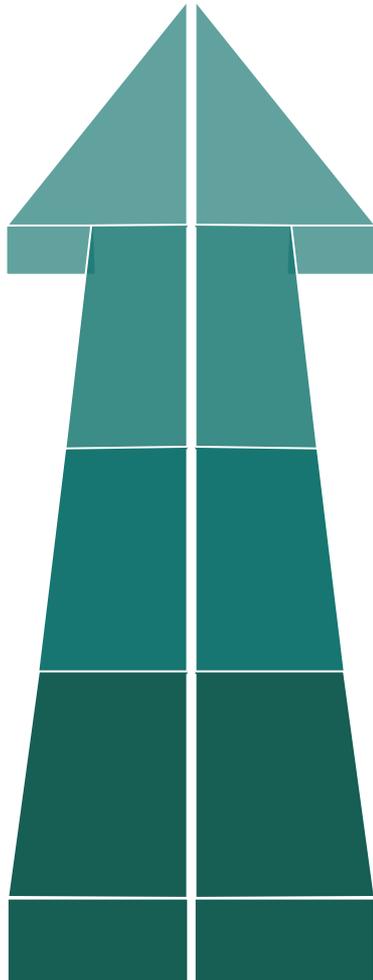
EBRD brings in additional financial capital and technical assistance (TC) to economically viable projects

Benefits of working with us

EBRD's Value-Added: a unique offering



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- ❑ Strong, internationally recognised partner with long term perspective
- ❑ Higher risk appetite than other lenders
- ❑ Long established policy dialogue with Government and Regulators
- ❑ Unparalleled presence in the region provides mitigation of political and regulatory risks
- ❑ Preferred creditor status in all countries of operations
- ❑ Catalyst to access additional finance (every EUR 1 financed by EBRD mobilises EUR 2 from other sources)
- ❑ Flexible deal structure and product matching services
- ❑ Dedicated team with expertise in a variety of sectors and countries
- ❑ Donor-funded technical assistance available for economically viable sustainable development projects



- Besides plain vanilla lending, equity and mezzanine investments, the EBRD's special programmes in Romania are:
 - ✓ DFF (Direct Financing Framework) - a delegated facility for equity, quasi-equity investments, as well as tailor-made debt financing for SMEs.
 - ✓ R2CF (Regional EU Cohesion Fund Co-financing Framework) - used to co-finance investments financed by the EU Cohesion Fund investment programme.
 - ✓ ASB (Advice for Small Business) - advisory projects for local companies to support growth and export activities
- Syndication with other banks and co-investment with PE funds or strategic investors.
- Indirect financing through funding of financial institutions.

Agribusiness at the EBRD



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€10bn
invested through
592 projects
since 1991

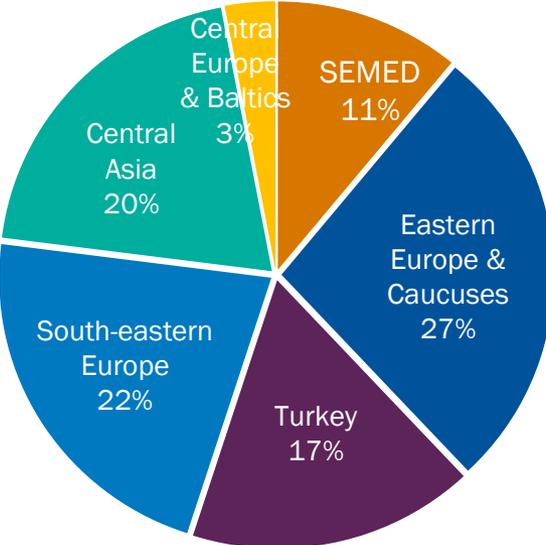
Active **portfolio**
of **217 projects**
or **€3.2 billion**

2015:
€770 million
invested through
51 projects
in **24 countries**

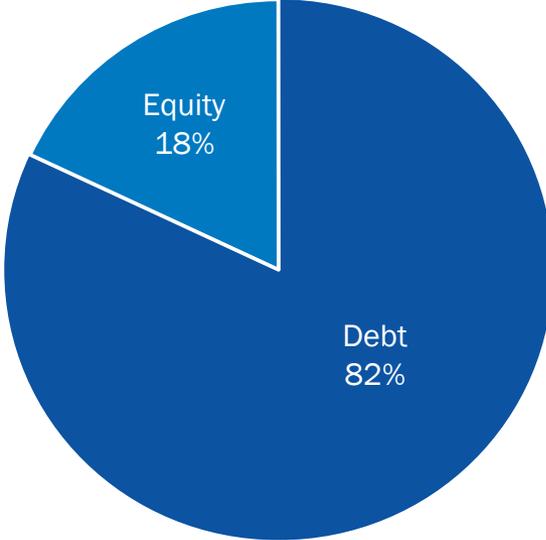
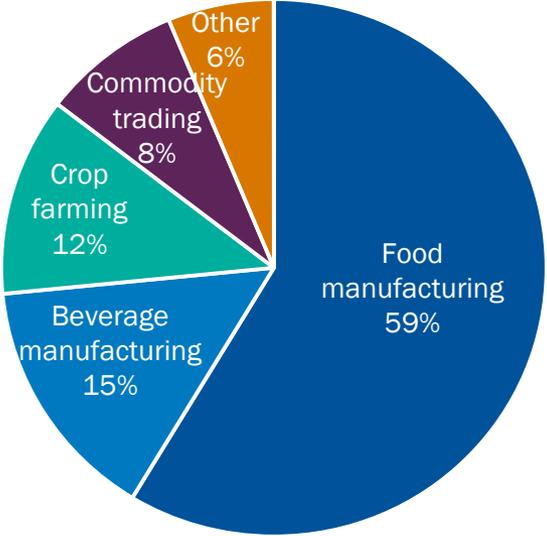
Agribusiness at the EBRD



2015 Annual Business Investments (€770m)



Equity share of active portfolio



Selected agribusiness clients and partners



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Flagship deals

Profi – Senior Debt for Expansion



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2016



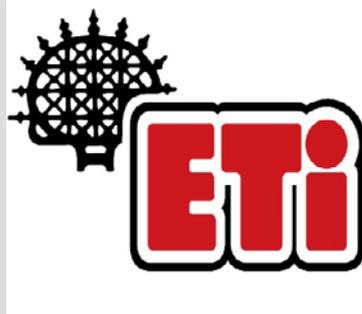
- **Profi**: leading food retailer in Romania, owned by Polish Enterprise Fund VI, a private equity fund managed by **Enterprise Investors**.
- The EBRD provided the company for **EUR 25 million** parallel loan from a commercial lender.
- The loan was used to:
 - ✓ finance the expansion of Profi's retail network in rural areas of Romania
 - ✓ finance company's working capital needs following a capital structure optimisation transaction.

ETI – Long term loan for confectionery factory



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2014 –2016



- The EBRD provided a long term loan of EUR 33 million to ETI European Food Industries S.A. ("Eti European"), Romanian subsidiary of Eti Gida Sanayi ve Ticaret A.S. ("Eti").
- The loan financed capital expenditures and working capital needs related to the construction of a green-field confectionery factory near Craiova, Romania.

CHS – funding the leading US agricultural co-operative



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2010



- **CHS Inc.:** the second largest agricultural cooperative in the world and the largest domestic grain supplier in the US
- The EBRD facilitated CHS's acquisition of a port terminal in Constanta, Romania with inland facilities in Serbia and Hungary, supporting the project with an **€22.5m** investment loan
- The Bank also provided **US \$120m** working capital loan to support CHS operations in Serbia, Romania and Hungary (Danube region)

Expur – financing oilseed crushing and processing



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2010 - 2013



- **Expur S.A.:** a subsidiary of the French leading agribusiness Sofiproteol and a major crusher and processor of oilseeds
- The Bank facilitated a **€190m syndicated loan** with commercial banks to finance the Sofiproteol's expansion to Romania
- The financing supported the purchase of oil crushing and processing facilities in south-east Romania, as well as factory modernisation, purchase of fixed assets and edible oil trademark

Groupe Soufflet – a regional facility for local subsidiaries



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1998-14



Groupe Soufflet: a leading global player in the malt markets

The EBRD supported the company for over 16 years with **€100m** in 7 countries:

- **€20m** equity investment in a SPV which consolidates the grain storage infrastructure and seed production facilities in Ukraine, Romania and Poland (2014)
- **€3.5m** loan to finance a new biomass boiler in Ukraine (2014)
- **€75m** regional working capital line for the financing of working capital needs of the Group's subsidiaries in Russia, Ukraine, Romania, Kazakhstan, Poland, Serbia and Bulgaria (2010)

Axereal – Equity funding to improve grain handling infrastructure



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2014

AXERREAL
La terre, les hommes, le futur



- Axereal is the largest grain collector in France and the fifth-largest malt producer in the world
- The EBRD provided **€10 million in equity** and a **€28 million working capital loan** for Axereal's operations in **Croatia, Hungary, Romania and Serbia**
- The EBRD financing will support:
 - ✓ Improving grain handling infrastructure in the region
 - ✓ Increasing operational efficiency of the company
 - ✓ Reducing waste
 - ✓ Enabling more advanced storage techniques

Atlantic Grupa – Raising the largest regional syndicated loan in 2012



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2012



- Atlantic Grupa is one of the leading regional food and beverage producers and distributors in South-eastern Europe
- The EBRD arranged a **€307 million** financing package, consisting of a €232million EBRD-led syndicated loan, €50m from IFC and €25m from local banks.
- The syndication was the biggest corporate syndicated deal in the region in 2012
- The financing supported:
 - Introduced new energy management systems and sustainability certifications in the company;
 - Strengthened its balance sheet through replacement of existing acquisition debt and working capital financing

Boni Holding – an example of lending to a local meat processor in Bulgaria



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2013



2006, 2010 and
2013

- Client: Boni Holding
- Project description: Long-term loans to partially finance the investment programme of a vertically integrated meat processing and pig breeding company, operating throughout Bulgaria
- EBRD Finance:
 - ✓ 2006: EUR 15 million senior secured loan
 - ✓ 2010: EUR 6.7 million senior secured loan
 - ✓ 2013: EUR 10.5 million senior secured loan

Contacts



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