

EY case studies

The Juncker Plan & EFSI

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Summary

- ▶ Presentation EY
- ▶ EFSI case studies
- ▶ How EY advises on projects

1. Presentation EY



The better the question. The better the answer.
The better the world works.



Who is EY

A Truly Global Team

Summary:

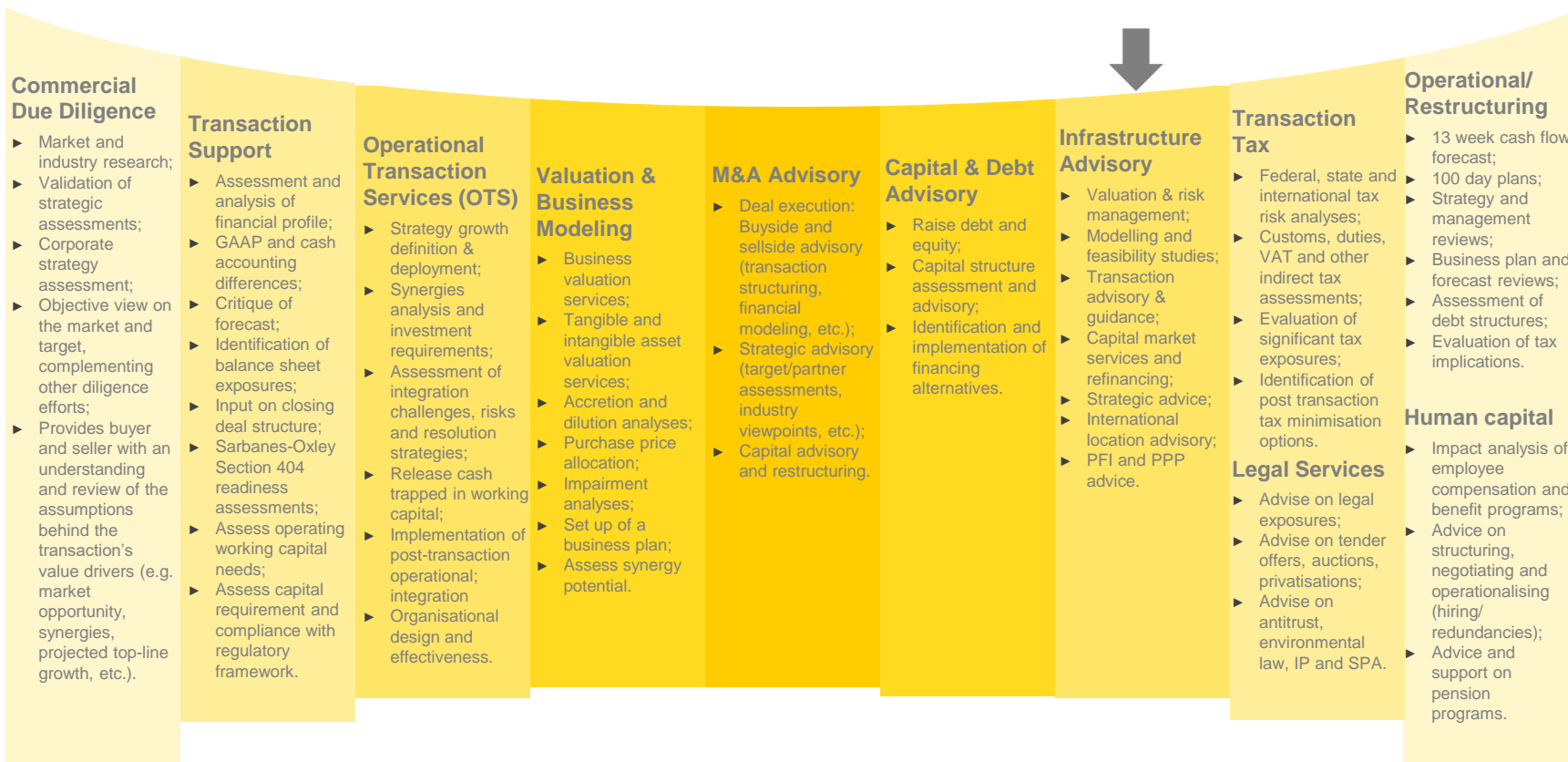
- ▶ Founded in 1989 through the merger of Ernst & Whinney and Arthur Young & Co;
- ▶ \$28,7 billion in Revenues in 2015;
- ▶ 212.000 people;
- ▶ 700 offices;
- ▶ Active in more than 150 countries;
- ▶ Sponsor of the Olympic Games in 2016;
- ▶ Assisting governments and companies across all industries.



Structure:

Assurance	Tax	TAS	Advisory
<ul style="list-style-type: none">▶ External Audit;▶ Financial Accounting Advisory Services;▶ Climate Change and Sustainability Services;▶ Fraud Investigation & Disputes Services.	<ul style="list-style-type: none">▶ Business Tax Services;▶ Human Capital;▶ Indirect Tax;▶ International Tax Services;▶ Transaction Tax;▶ Global Compliance and Reporting.	<ul style="list-style-type: none">▶ Transaction Support;▶ M&A Lead Advisory & infrastructure advisory;▶ Valuations and Business Modelling;▶ EU/EIB Advisory Services;▶ Transaction Tax;▶ OTS.	<ul style="list-style-type: none">▶ Performance Improvement;▶ Risk;▶ IT Risk and Assurance.

EY TAS provides a fully integrated transaction execution team



EY and EU/EIB

EY has placed the EU/EIB on its Global Priority Clients list.

EY has installed a centralised EU Account Team in the Brussels office in Belgium, running more than 30 international Framework Agreements.

Services offered under these FWCS include:

- ▶ Assurance (international audit services);
- ▶ Advisory (macro economy policy, evaluations, impact assessments, technical assistance, cleantech and sustainability);
- ▶ Tax and legal advisory;
- ▶ Transactional and financial professional advisory (PPPs, infrastructure advisory, state aid, SME financing).

Sectors of focus are:

- ▶ Transport;
- ▶ Energy;
- ▶ ICT;
- ▶ RD&I.

Our infra advisory services cover all LT assets topics...

- ▶ Real Estate portfolio valuation;
- ▶ Valuation of complex single properties;
- ▶ Development of valuation models;
- ▶ Model review;
- ▶ Model development;
- ▶ Monte Carlo simulations;
- ▶ Scenario testing.
- ▶ Development of M&A-strategies;
- ▶ Structuring transactions;
- ▶ Buy- and Sell-side advisory;
- ▶ Privatisation strategies;
- ▶ (Re)Financing strategies;
- ▶ Mobilisation strategies;
- ▶ Sales and fund solutions;
- ▶ Infra related DD in conjunction with technical and financial due diligence;
- ▶ Identification of financial and market-oriented risks for buyers and sellers.

Integrated approach through multidisciplinary teams

TAS

- ▶ Financial advisory such as transaction support, restructuring, transaction integration.

AABS

- ▶ Advisory with regard to balance sheet, income statement and international auditing.

Tax

- ▶ Tax advisory such as Business Tax, Human Capital, Indirect Tax, International Tax and Transaction Tax.

Legal

- ▶ Good connections and track record of professional collaboration with specialised law firms.

Infra Valuation & Business Modelling

Infra Transaction Services

... tailored to suit every client's needs

- ▶ Optimisation of portfolios/-management;
 - ▶ Performance and operating efficiency analysis;
 - ▶ Optimisation of organisational structures/portfolio strategies;

 - ▶ Align corporate strategy and supply chain with the network of locations;
 - ▶ Site selection and bench marking;
 - ▶ Maximise incentives by negotiations;
 - ▶ Site and facility acquisition support;

 - ▶ Feasibility-, market-, best use-, sensitivity- and critical success factor- studies.
- ▶ For private consortia: Bid management assistance during tendering procedure; Commercial & financial analysis & advise, Financial optimisation & modelling, Raising finance; Closing;
 - ▶ For the public sector: Procurement, Market feedback and options evaluation; Pre-qualification; Documentation & short listing; Tender management & negotiation; Closing;
 - ▶ Tax Effective structuring of investments, partnerships and funds income tax optimising & structuring for RE and construction business.

Our clients

- ▶ Insurance companies;
- ▶ Banks ;
- ▶ Institutional and private investors;
- ▶ Private equity firms;
- ▶ Pension fund companies;
- ▶ Open-ended and closed-end real estate funds;
- ▶ Industrial, trading and service companies (corporates);
- ▶ Housing construction companies;
- ▶ Major project development companies;
- ▶ Public institutions (municipalities, churches, local authorities, universities and public law institutions).

Strategic Infra Advisory Services

Project Finance & PFI Advisory

2. EFSI case studies



The better the question. The better the answer.
The better the world works.

Cases

Private sector

- ▶ Bioplastics (new factory);
- ▶ R&D (development of new medicines);
- ▶ Transport & logistics (innovative investments);

- ▶ Hospitals (health infrastructure);
- ▶ Waste treatment (investment);
- ▶ Offshore wind farm.

Public sector

- ▶ Regional authorities (financial instruments).

No go

- ▶ Biomass production facility;
- ▶ Etc.

Case new medicine development

What - Match demand & supply:

Demand = projects:

- ▶ Identify economically and technically viable projects;
- ▶ Do they fit focus sectors R&D&I and HC, culture & health;
- ▶ Effect on job creation & growth in the EU;
- ▶ How about EU added value & additionality.

Supply = EFSI channels:

- ▶ Innovation window → EIB (directly or through intermediaries);
- ▶ SME window → EIF (directly or via funds);
- ▶ Products: equity, quasi-equity, subordinated loans, venture capital, loans, guarantees.

How - Methodology: prepare the application process:

- ▶ Comprehensive feasibility study;
- ▶ Detailed technical, economic, financial and legal information: due diligence;
- ▶ Extra Investment Committee on top of usual appraisal process: EU guarantee.

When and where:

- ▶ Is the project mature enough to be bankable?
- ▶ Is it located in the EU28 or Neighbourhood Countries?

3. How EY advises on projects



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Better question storytelling

Which projects do you have, in the field of

- ▶ Innovation or R&D;
- ▶ Infrastructure;
- ▶ Energy (efficiency).
- ▶ Health care;
- ▶ Or education?

Did you optimally solve the full financing gap?

Can we investigate whether EIB & EFSI apply?

Project X or Y needs assistance for EFSI or other EIB financing in terms of

- ▶ Feasibility;
- ▶ Eligibility;
- ▶ Due diligence;
- ▶ Financial structuring;
- ▶ Legal and tax advise.

Real projects are brought to EIB

Win/win both for the private and public sector

Other financing sources like NPBs or commercial banks, funds, others are crowded in

Question

Answer/outcome

Better working world

Support material

How can EY assist you?

With our expertise comprising the integrated approach and specific experience in the field of investment structuring, incentives securing and knowledge on the key stakeholders' functioning, we can guide you through the complex process of blending additional instruments from EFSI/EIB Group (under the Plan) with funding under the European Structural and Investment Funds.

Given the process complexity EY can provide a bottom-up support in getting the funding. EY support will cover:

- Feasibility studies - EY is a leader in the public sector and private sponsors on financing projects. We can advise on which financial structure and sources of financing are the most interesting.
- Debt and capital advisory services: including but not limited to strategic discussions about the company and its project, financial due diligence, business modeling, financial structuring, identifying funding sources.
- Preparation of the application process - The preparation of an application is a complex process. We help our clients to ensure that information to be prepared for EFSI/EIB Group and evaluated by the governing bodies, including the EFSI Investment Committee, is clear and will receive high scores against the eligibility and award criteria.
- Negotiation process - We can assist public sector and private sponsors in negotiations with EFSI/EIB Group and other financial institutions.
- Legal/general tax support at any stage including the stage of contract conclusion.

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EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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...
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