

## **Accessing Financing with SACE Simest support – Institutional presentation and case studies**

Pauline Sebok

Head of SACE Latam office

September, 2019



1

**About SACE SIMEST**

2

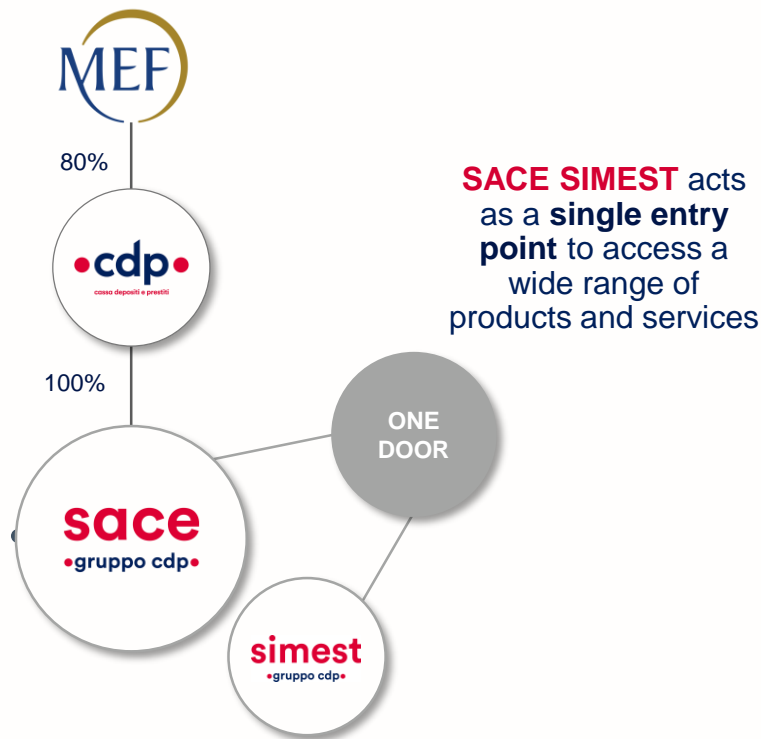
Our overview on Brazil – Italy trade relationship

3

How SACE SIMEST can support companies doing business



# Company Profile and key figures



**SACE**, a joint-stock company fully owned by Cassa Depositi e Prestiti (**CDP**, the Italian National Promotion Institution), operates in the field of export credit, credit insurance, investment protection, financial guarantees, sureties and factoring. An offer further enriched by **SIMEST** products, ranging from investments in equity capital of companies to subsidised loans and export credit.

## 2017 RESULTS (€ MLN)

New business	25,300
Outstanding portfolio	94,000
Gross written premiums	873
Claims paid	414
Net profit	456
Technical provisions	2,700

# SACE SIMEST is fully committed to support Italian exporters

## OUTSTANDING COMMITMENTS

2018



## NEW COMMITMENTS

2018



## CLIENTS



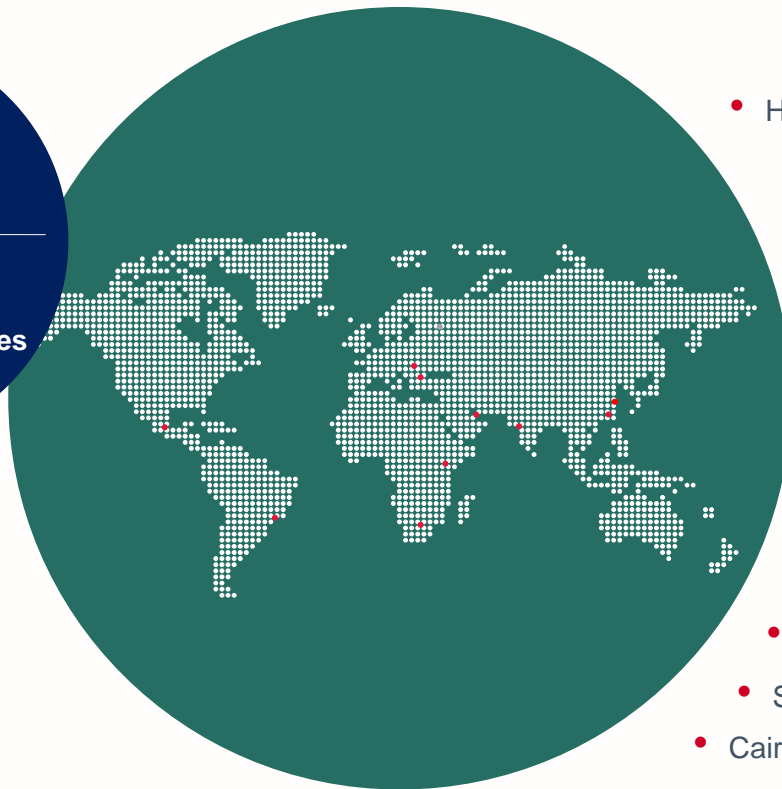
## COUNTRIES



# Our Commercial **International** Network

## Overseas network

11 representative offices serving the emerging economies



- Hong Kong
- Mumbai
- Moscow
- Istanbul
- Dubai
- Nairobi
- Johannesburg
- Mexico City
- San Paolo
- Shanghai
- Cairo



1

About SACE SIMEST

2

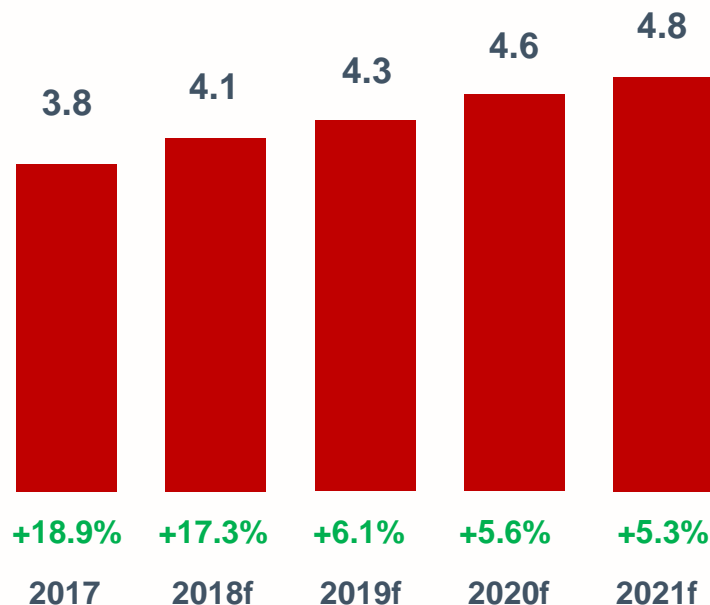
**Our overview on Brazil – Italy trade relationship**

3

How SACE SIMEST can support companies doing business



# Brazil is a key market for Italian companies (€ mn)



► First market in Latin America

► € 4.1 billion of exports in 2018

► +5.7% annual average growth 2018 - 2021

# Main sectors of Italian exports

5 sectors  
accounts for more  
than **70%** of  
Italian exports

		Exports jan-oct 2018	% on total	Growth jan-oct 18 jan-oct 17	SACE forecast 2019-2021
	Mechanical engineering	€ 980 mln	30%	+1%	+5.6%
	Chemicals	€ 519 mln	16%	+12%	+5.6%
	Transportation	€ 388 mln	12%	+9%	+5.6%
	Electrical equipment	€ 273 mln	8%	+13%	+3.0%
	Metals	€ 209 mln	6%	+7%	+6.0%

Source: Eurostat, SACE



1

About SACE SIMST

2

Our overview on Brazil – Italy trade relationship

3

**How SACE SIMEST can support companies doing business**



# SACE do Brasil milestones



800+

Buyers served in Brazil\*



400  
USD mn

Average amount of new commitments  
per year in Brazil 2009-2018

- SACE do Brasil functions as a central hub for both South and Central American business
- Over the last 10 years, SACE finalized more than 1500 transactions in South America, for an overall value of 5 billion euros
- In Central America, over 2,000 transactions have been finalised for an overall value of 7.3 Billion Euros, i.e. on average 200 deals and 730 million Euros of new commitments per year since 2009
- The relationships with local clients developed by SACE do Brazil secured during the period 2008-2018 an average of 90 transactions per year in support of Italian SMEs operating in the food and beverage, wood manufacturing, steel, ceramic, textile, pulp and paper sectors

# SIMEST trackrecord in Brazil

**67**

Number of Italian companies with Simest investment in Brazil

**129**  
EUR mn

Total investments done by Simest in Brazil

- Since the beginning of its activity, SIMEST has concluded 67 investments in Brazil, which accounts for EUR 129 mn (9% of SIMEST total historic investments of EUR 1,46 bn) among investees whose capital reach approximately 750 million euros.
- SIMEST initiatives are concentrated mainly in the mechanical and automotive industries, non-financial services, metallurgical and infrastructure, and construction.
- There are 36 investment projects in Brazil, acquired from the availability of the Venture Capital Fund, for a total of EUR 24 mn, of which 25 are currently in the portfolio for EUR 18 mn.

# SACE can support procurement from Italy with dedicated financial solutions



Key SACE products that can support Company's procurement from Italy:

- Supplier's Credit
- (Multi-tied) Buyer's Credit
- SIMEST

# Supplier's Credit



## HOW IT WORKS

- This **credit insurance policy** allows foreign buyers like Company x to finance purchases with short or long-term credit terms,
- The **insured credits** can be **discounted without recourse** by transferring the policy to the bank or other discounting financial intermediary (including SACE for selected Countries)

## BENEFITS FOR COMPANY X

- **Extended terms of payment**, at more competitive interest rates;
- **No need** to use local **bank credit lines**.
- Privileged access to Italian suppliers through tailor made **matchmaking support** to meet the company's procurement needs

## HOW TO ENGAGE

- Provide us with your **latest financial statements** in order to carry a **preliminary feasibility assessment**
- Other «**off the shelf**» documents (ie company information, business plan) **are welcome**
- If available, **commercial contracts** and details on **procurement needs**

# Buyer's Credit



## HOW IT WORKS

- Through this **credit insurance policy** buyers like Company X can get **additional access to bank financing** for purchases of goods and services from Italian exporters or their foreign affiliates and subsidiaries
- Borrower may also benefit from fixed interest rate through an **interest make up agreement** (fixed CIRR rate)

## BENEFITS FOR COMPANY X

- **Diversification of financial resources** – bank credit lines are unaffected by the guaranteed amount
- Access to **international banking system** for extended tenors and amounts
- Possibility to access an **interest make up agreement**

## HOW TO ENGAGE

- Provide us with your **latest financial statements** in order to carry a **preliminary feasibility assessment**
- Other «**off the shelf**» documents (ie company information, business plan) **are welcome**

# Multi-Tied Buyer's Credit: one loan, multiple contracts

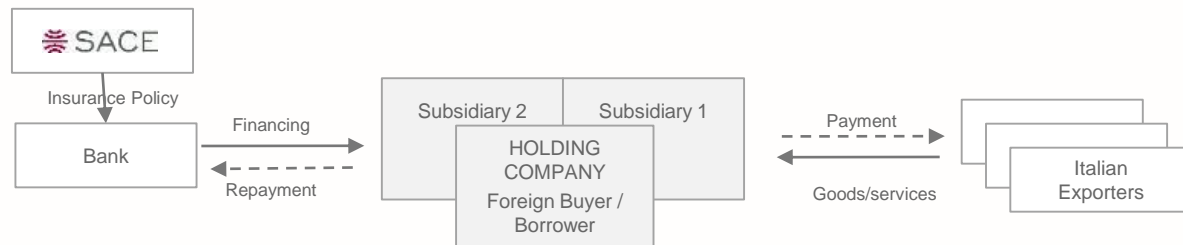
## Case study in Peru: Lima Subway Line 2 (2015)

- Total investment: USD 5.3 Bn;
- Participation of Inter-American Development Bank and the Andean Development Corporation;
- Concession contract was awarded by the Ministry of Transport and Communications of the Government of Peru (irrevocable payment obligation);
- Concessionaire: Salini Impregilo; Iridium; Hitachi Group; FCC; Cosapi
- Shareholders of the concessionaire were global and local leaders in their respective fields;
- Covered 100% by SACE insurance policy:
  - ✓ 4 years availability period (up to 6 years in case of project delays);
  - ✓ 14 years repayment period (in line with OECD consensus for rail);
  - ✓ Fixed rate (CIRR-based)



# Multi-Tied Buyer's Credit: one loan, multiple contracts

## Case study in Brasil: examples JBS, Vicunha, Petrobras



### HIGHLIGHTS

- SACE covers financing granted by a bank to subsidiaries of the Holding Company for the purchase of equipment from multiple Italian suppliers. The subsidiaries may be active in a variety of sectors. The loan is structured under a single LMA agreement for multi-borrowers and multi-suppliers.

### Advantages:

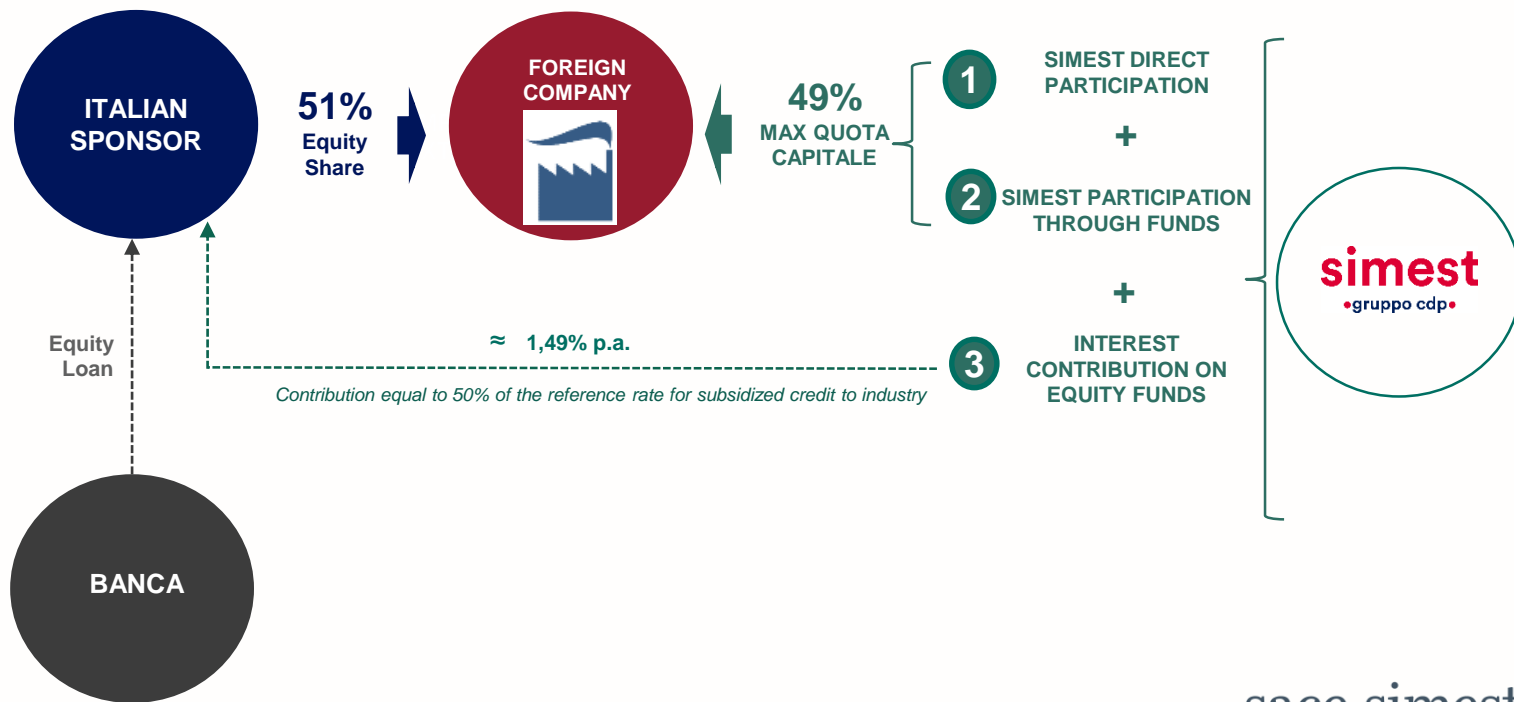
- Thanks to this Facility, the Holding may acquire machinery/capital goods for various projects of CAPEX under one LMA umbrella loan reducing costs.
- The loan provides finance for acquisitions finalized in longer periods of time (e.g. an open credit line for 2 years).
- Smaller sized supplies from Italian providers wrapped under the facility to become eligible for Buyer's Credit Scheme, which would not otherwise be possible on a case by case basis.



**PROSPECTS:** ANY LARGE CORPORATION CONSISTENTLY PURCHASING ITALIAN MACHINERY/CAPITAL GOODS

# SIMEST

## Structures available for countries outside EU



# SIMEST

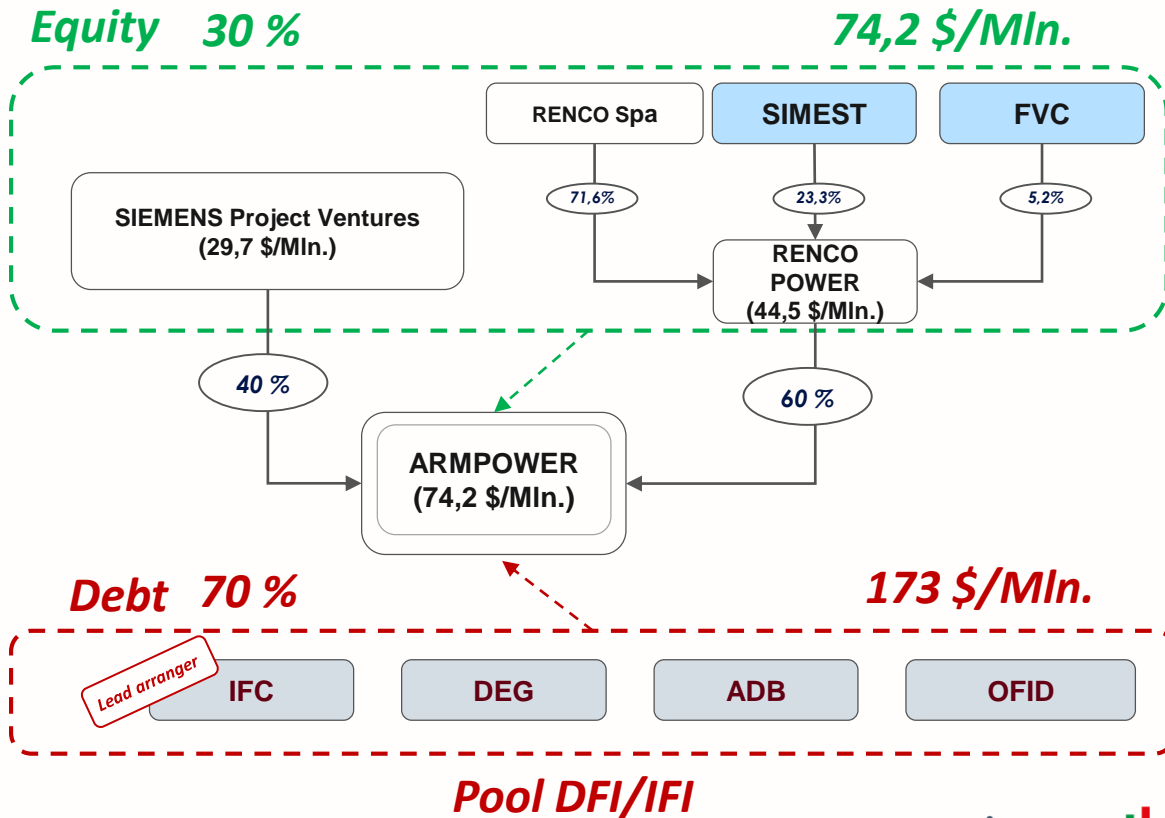
## Case study in Armenia: Renco

Construction of a 250 MW combined cycle gas electricity production plant (CCGT), contracted by the Armenian government to replace an obsolete gas plant

Renco Spa and Armpower CJSC ("SPV") signed a twenty-year framework agreement (FMA) with the Armenian Government on 27 April 2017.

Through the SPV Renco Power CJSC, the Renco Group capitalized 60% of Armpower CJSC, a JV associated with Siemens Project Ventures GmbH, for construction and management of the plant.

Renco was the EPC contractor (€ 210 / mln.), While Siemens was the O&M contractor.



# Major Highlights (2008 – 2018)



**500**

USD Mn  
Buyer Credit

2010



**300**

USD Mn  
Untied

2010



**40**

USD Mn  
Buyer Credit

2011



**200**

USD Mn  
Buyer Credit

2011



**100**

USD Mn  
Asset based Loan

2011



**60**

USD Mn  
Buyer Credit

2013



**700**

USD Mn  
Buyer Credit

2014



**25**

USD Mn  
Buyer Credit

2014



**300**

USD Mn  
Project Finance

2015



**25**

USD Mn  
Buyer Credit

2016



**63**

USD Mn  
Push Strategy

2018



**300**

USD Mn  
Push Strategy

2018

# Contacts

## São Paulo Office

Al. Min. Rocha Azevedo, 456 cjto 101, São Paulo, Brasil • Ph.:+55 11 3171-2138 •

saopaulo@sace.it

## Domestic Network

**Bari** +39 080 5467763 • bari@sace.it

**Firenze** +39 055 536571 • firenze@sace.it

**Milano** +39 02 4344991 • milano@sace.it

**Monza** +39 039 3638247 • monza@sace.it

**Palermo** +39 091 334 164 • palermo@sace.it

**Torino** +39 011 3997839 • torino@sace.it

**Verona** +39 045 8099460 • verona@sace.it

| **Brescia** +39 030 2292259 • brescia@sace.it |

| **Lucca** +39 0583 40071 • lucca@sace.it |

| **Bologna** +39 059 891240 • bologna@sace.it |

| **Pesaro** +39 0721 383229 • pesaro@sace.it |

| **Roma** +39 06 6736309 • roma@sace.it |

| **Venezia** +39 041 2905111 • venezia@sace.it |

## International Network

**Bucharest** +40 21 2102183 • bucharest@sace.it

**Hong Kong** +85235076190 • hongkong@sace.it

|

**Johannesburg** +27 11 4635131 • johannesburg@sace.it

**Mumbai** +91 22 43473473 • mumbai@sace.it

saopaulo@sace.it

| **Dubai** +971 4 4019164 • dubai@sace.it |

| **Istanbul** +90 212 2458430/1 • istanbul@sace.it

| **Moscow** +7 495 2582155 • moscow@sace.it |

| **São Paulo** +55 11 31712138 •



# THANK YOU