

CEA-PME
European Entrepreneurs

Better access to finance for SMEs

Forum Launch Event

Bruxelles, July 22nd 2014

The Italian CEA-PME Chapter model & “Mini Bond”

Francesca Minelli
Consultant, CONFAPI - Eidos Partners



CEA-PME
European Entrepreneurs

The difficult situation of Italian SMEs

Basel III introduction
The economic crisis and related increase in financial hardship

Poor short-term growth perspectives
The persistent structural funding gap between loans and deposits

The reduction in the loans stock to companies is greater than the recorded trend for total assets of Italian banks

... potential opportunities introduced by legislators

A new legal framework (“Decreto Sviluppo” e “Decreto Destinazione Italia”) has been introduced thus creating the possibility for non-listed companies to issue minibonds (below Eur 50 mln size), benefiting from the statutory and fiscal rules already existing for listed companies

... potential capital market opportunities

Increase in the number of independent financial intermediaries and their activities

Search for alternative investment by institutional investors

Birth of specialized closed funds investing in minibonds

A new model is needed that may connect directly Institutional Investors and SMEs

Better access to finance for SMEs – CEA-PME Forum Launch Event - Bruxelles, July 22nd 2014



CEA-PME
European Entrepreneurs

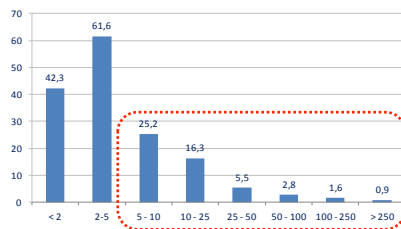
Italian SME's potential minibond issuance

The total expected amount of Italian manufacturing companies investment between 2013 and 2015 should be approximately € 150 billion (Source: Prometeia)

Over the same period the Italian banking sector capital flow to companies is expected to reach € 60 billion

The funding gap of approx. € 90 billion will need to be covered using alternative instruments such as auto-financing (when available) and non-banking funding sources (i.e. EU financial tools and minibond issuance)

Number of Italian firms based on their turnover



A basket of Italian 'real target companies' that have a net turnover over € 25 million and can be considered 'investment grade' has been identified by Cerved. There are approx. 8.500 firms that might be included in this basket.

Better access to finance for SMEs – CEA-PME Forum Launch Event - Bruxelles, July 22nd 2014

CEA-PME
European Entrepreneurs

A growing number of potential qualified Investors

Banks*	Asset Managers*	Others
 	 	<p>Pmi, più risorse sui minibond Où, agli investimenti delle assicurazioni. In campo anche il Fondo di garanzia</p> <p>Minibond, in campo la Cdp L'obiettivo è di creare un «veicolo» dotato di alcune centinaia di milioni</p> <p>Fondo di garanzia anche per i minibond</p> <p>«Se un totale di disponibilità finanziarie dei fondi pensione pari a 70,4 miliardi - aggiunge l'Istituto citando i dati 2012 - appena 2,4 miliardi sono investiti sul corporate Italia e prevalentemente su una platea ristretta di grandi nomi»</p> <p>Per favorire lo sviluppo di un mercato di mini bond, il decreto prevede anche che queste obbligazioni possano essere poste a garanzia dei "covered bonds", emessi dalle banche e già oggi acquistabili da un'ampia platea di soggetti istituzionali, e possano costituire oggetto di cartolarizzazione (strumento che il decreto favorisce sotto diversi punti di vista).</p>

€ 5 bln (announced)

*Announced

CEA-PME European Entrepreneurs

A shift towards non-banking funding sources is possible?



Despite the credit crunch effect, Italian SMEs still rely on the banking sector as a primary source of funding.

A shift towards different sources of funding is possible only if Italian SMEs improve on both:

- ✓ their capabilities to access EU innovative financial tools and loan guarantee facilities
- ✓ their “capital market” knowledge to efficiently explore the mini bond market opportunities

This improved approach may include the use by either the SME's or the Investors of public-based (including first-loss) guarantees on minibond issuance to make investors more comfortable with this new type of investment

Better access to finance for SMEs – CEA-PME Forum Launch Event - Bruxelles, July 22nd 2014

CEA-PME European Entrepreneurs

A shift towards non-banking funding sources is possible?



A first step in the right direction may be the creation of an Internet-based platform that works as a **first contact point** between qualified investors and SMEs as well as an access point to qualified providers of other financing tools.

Via the platform, Italian SME's may create and enrich their “window display”, using a standardized model, obtaining a first qualitative advice on the potential feasibility of a mini-bond issue but also accessing all the information required to evaluate the full range of EU based financial tools available and offered by a number of qualified partners.

At the same time this platform may allow investors to easily access all the qualitative and quantitative information they need to evaluate their preliminary interest in financing the SMEs on display.

Better access to finance for SMEs – CEA-PME Forum Launch Event - Bruxelles, July 22nd 2014

CEA-PME
European Entrepreneurs

Minibond Issuance to Date

Issuer	Amount (€ mln)	Coupon (%)	Issue date	Maturity date	Maturity (years)	Type	Rating	Ranking
Buccalini Angelo Srl	10	7	08/04/2013	08/04/2015	2	Bullet	-	Senior
Fide SpA	2,7	EUR 3M + 2.75	03/06/2013	03/06/2016	3	Bullet	-	Senior
CAAR Srl	2,8	6,5	01/07/2013	01/07/2018	5	Amortizing	-	Senior
Ifir SpA	0,114	4,25	02/08/2013	02/02/2015	2	Bullet	-	Senior
Ifir SpA	1	5,5	02/08/2013	02/02/2016	2,5	Bullet	-	Senior
Ifir SpA	2,57	5,25	02/08/2013	02/08/2017	4	Bullet	-	Senior
Primi sui Motori SpA	1,68	9	08/08/2013	08/08/2016	3	Bullet	-	Senior
Flica Soc Coop	9	6	30/09/2013	30/09/2019	6	Amortizing	Crif BBB+	Senior
Sud Commerc Srl	22	6	09/10/2013	09/10/2018	5	Bullet	-	Senior
Meridie SpA	4	8	12/11/2013	12/11/2015	2	Bullet	-	Senior
Grafiche Mazucchelli SpA	2	8	07/11/2013	31/12/2019	6	Bullet	-	Senior
Mille Uno Bingo SpA	9	EUR 3M + 5.6	15/11/2013	15/11/2018	5	Amortizing	-	Senior
Alessandro Rosso Group SpA	4	10	20/11/2013	20/12/2018	5	Bullet	-	Senior
Jacobucci HF Electronics SpA	3,75	8	20/12/2013	20/12/2017	4	Amortizing	Crif BB+	Senior
GPI SpA	12	5,5	23/12/2013	30/06/2018	4,5	Bullet	-	Senior
ETT SpA	0,5	6	27/12/2013	30/09/2014	0,75	Bullet	-	Senior
Finanziaria Internazionale SpA	12	5	22/01/2014	22/01/2015	1	Bullet	-	Senior
Micromedema SpA	1,5	8,125	29/01/2014	29/01/2017	3	Bullet	-	Senior
JSH Group SpA	1,8	7,5	31/01/2014	31/01/2019	5	Amortizing	Crif B	Senior
Terni Energia SpA	25	6,875	06/02/2014	06/02/2019	5	Bullet	-	Senior
Cogemat SpA	50	EUR 6M + 9.5	14/02/2014	27/07/2019	5	Bullet	-	Senior Secured
Bomi Italia SpA	1,5	7,25	31/03/2014	31/03/2017	3	Bullet	-	Senior
Tesmec SpA	15	6	10/04/2014	10/04/2021	7	Bullet	Cerved A2.2	Senior
IFI SpA	20	7	10/04/2014	10/04/2021	7	Amortizing	-	Senior Secured
RSM Italy SpA	2,5	8	17/04/2014	31/03/2019	5	Bullet	-	Senior
Primi sui Motori SpA	3	7	09/05/2014	09/05/2017	3	Bullet	-	Senior
Enna Energia Srl	3,2	5	16/05/2014	16/05/2019	5	Amortizing	-	Senior
ETT SpA	0,5	5,85	20/05/2014	31/12/2014	0,75	Bullet	-	Senior
SEA SpA	3	6	30/05/2014	30/05/2019	5	Amortizing	Crif BB+	Senior
IMI Fabi SpA	7	6,3	03/06/2014	03/06/2020	6	Amortizing	Crif (unsolicited)	Senior
Selle Royal SpA	10	5,75	25/06/2014	25/06/2019	5	Amortizing	-	Senior
Usoilante K-Flex SpA	100	6	27/06/2014	01/07/2020	6	Bullet	Fitch B+ (bond)	Senior
Fr-Ei Biogas Holding S.r.l.	12	4,9	11/07/2014	30/06/2021	7	Amortizing	Crif (unsolicited)	Senior
E.S.T.R.A.S.p.A.	50	5	14/07/2014	14/07/2019	5	Bullet	Cerved B1.1	Senior
Rigoni di Asiago S.r.l	7	6,25	18/07/2014	18/07/2019	5	Bullet	Cerved A3.1	Senior
Coswell SpA	15	6,8	21/07/2014	21/07/2019	5	Bullet	Cerved B1.1	Senior

Better access to finance for SMEs – CEA-PME Forum Launch Event - Bruxelles, July 22nd 2014

CEA-PME
European Entrepreneurs

Thank you very much for your kind attention

Francesca Minelli
Consultant, CONFAPI - Eidos Partners

