

Agribusiness in the Western Balkans

Webinar: DEIK Balkan Talks: Investment Opportunities in the Western Balkans

24th September 2020



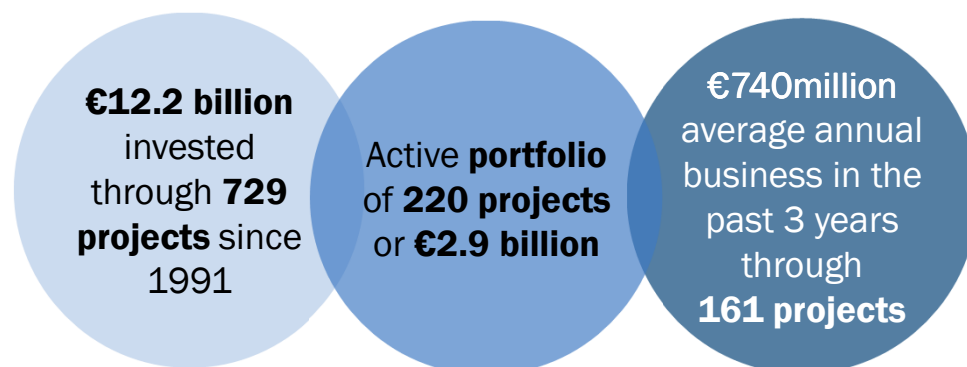
European Bank
for Reconstruction and Development

OFFICIAL USE

EBRD Agribusiness – who we are

We are the single largest private investor in the agribusiness sector in most of our countries of operation

Snapshot



Investing across agribusiness value chains



Financing global multinationals.....



...as well as leading local companies and SMEs



Focus on:

- Extensive client network
- **Innovation** - sustainable land use, new technologies, organic, “green”
- Global food security as an underlying theme
- Sustainable food systems
- Partnerships with FAO, IFAD, EU

EBRD Agribusiness in the Western Balkans

Snapshot

- **€671m invested** in the agribusiness sector in Western Balkan countries through **74 projects**
- Most of the investments (80%) have been in Serbia as the largest agribusiness player; focus in other countries on local champions and SMEs
- Local expertise, with **3 dedicated sector bankers** (including regional head) based in Belgrade

Focus on:

- Promote new **foreign direct investment**
- Promote **competitiveness of local companies** and SMEs
- Financing of **M&A transactions** - foreign direct investment (FDI) and **cross-regional** support
- **Agribusiness advisory hub** and technical assistance
- Facilitate **public-private platforms** to improve policy transparency and increase investor confidence

Selected transactions



Debt financing for expansion of the global retailer in **Serbia**, Greece and Moldova



The EBRD provided both equity and debt financing to the largest grocery retailer in **Montenegro**



Financed the acquisition of **Serbian** beverage producer Knjaz Milos by a joint venture between KMV and PepsiCo Inc.



Debt financing to the leading Turkish dairy producer for regional expansion in **North Macedonia** and Romania

Investment opportunities in the sector

Key advantages of the region

- **Rich history** of food production, people with skills in the sector
- Favourable climate for many agricultural inputs, **access to raw materials** (non-GMO)
- **Sizeable consumer market** (18 million people) and increasing purchasing power
- **Regional re-integration** supported by cross-border investments, reinvigorating common brands
- **Free trade agreements** with EU, further EU integration, free trade with Russia and Turkey (Serbia), CEFTA (within WB)

Trends and opportunities

- **Primary agribusiness** – modernisation/efficiency improvements, higher value added crops (e.g. fruit and veg.)
- **Production/ export hub** for region/EU market access (cost advantages, raw materials – e.g. confectionary, etc.)
- **Sub-sector consolidation** (meat processing, bakery, food retail)
- **New trends for the future** - healthy foods, organic and functional, online, COVID-19 “resilient” business models

How EBRD Agribusiness can support investors

Acquisition/JV Financing

- Debt or equity financing to support acquisitions, post acquisition investments
- EBRD's minority stake and financial investor status – potential good fit in JVs or investments with multiple investors
- Risk mitigation for political, social and environmental factors and providing reputational comfort

Tailored loan structures

- EBRD has flexibility to provide financing solutions across the capital structure
- Tailored approach to structuring (matching long investment horizons, PIK loans, parallel & syndicated loans, etc.)
- Regional cross-country financing facilities

Greenfield projects

- Deep sector expertise and local knowledge to engage in greenfield financing projects with experienced sponsors
- Can be structured as limited/full recourse, performance linked pricing, and flexible repayment options

EBRD “add -ons”

- Ability to mobilise donor financing for a number of different technical assistance and support areas
- Wide range of support - supplier/farmer training programmes, sustainability audits, innovation, etc.

Contact

For further enquiries, please contact:

Tamara Tasic

Associate Director

Agribusiness

Tel: +44 7718 393 810

Email: tosict@ebrd.com



EBRD, One Exchange Square
London, EC2A 2JN
United Kingdom
www.ebrd.com