



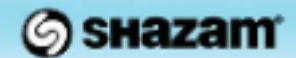
EIF making a difference

Roger Havenith
Global SME Finance Forum 2017

EIF making a difference



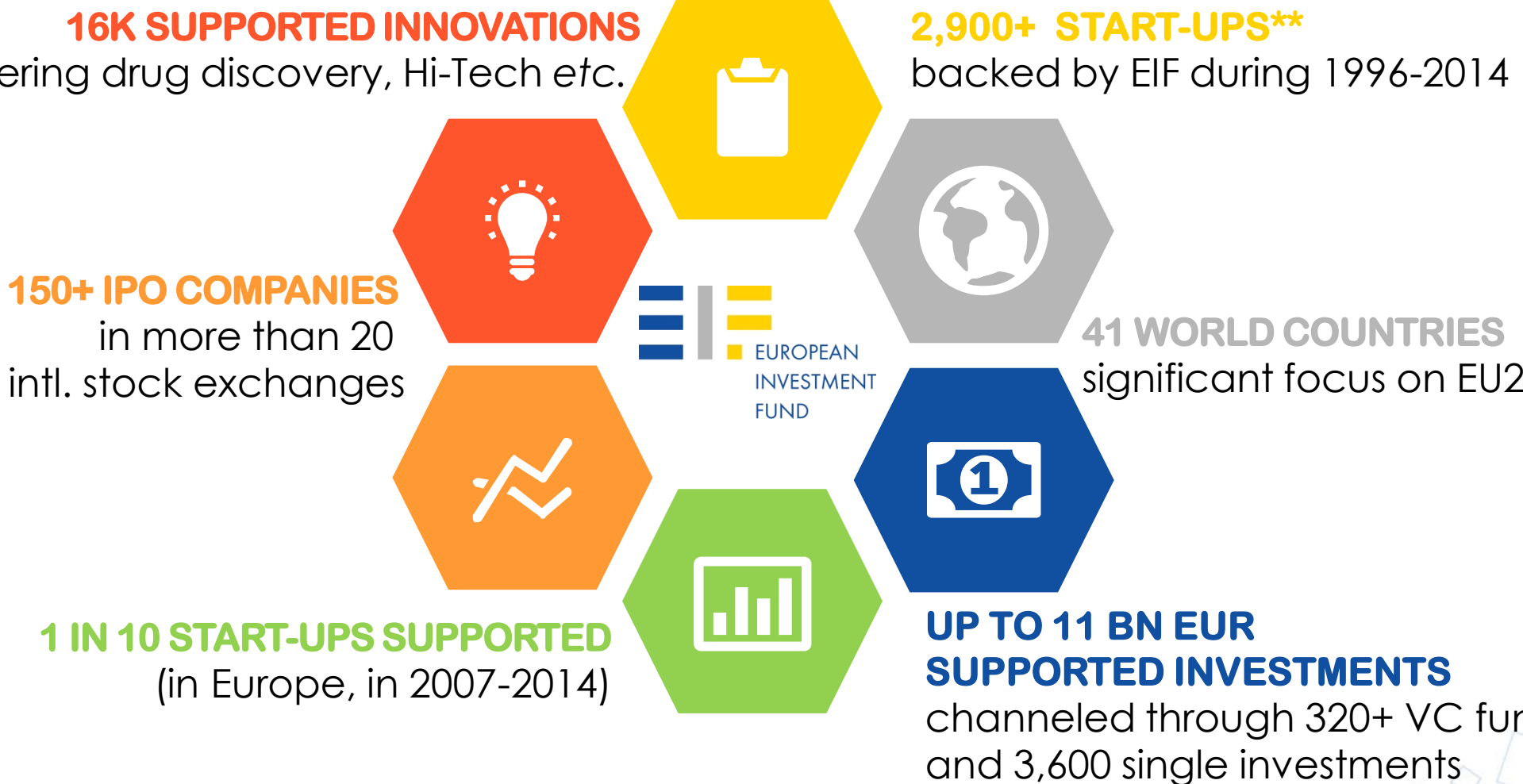
Innovative European ideas
backed by EIF



EIF impact assessment – Venture Capital

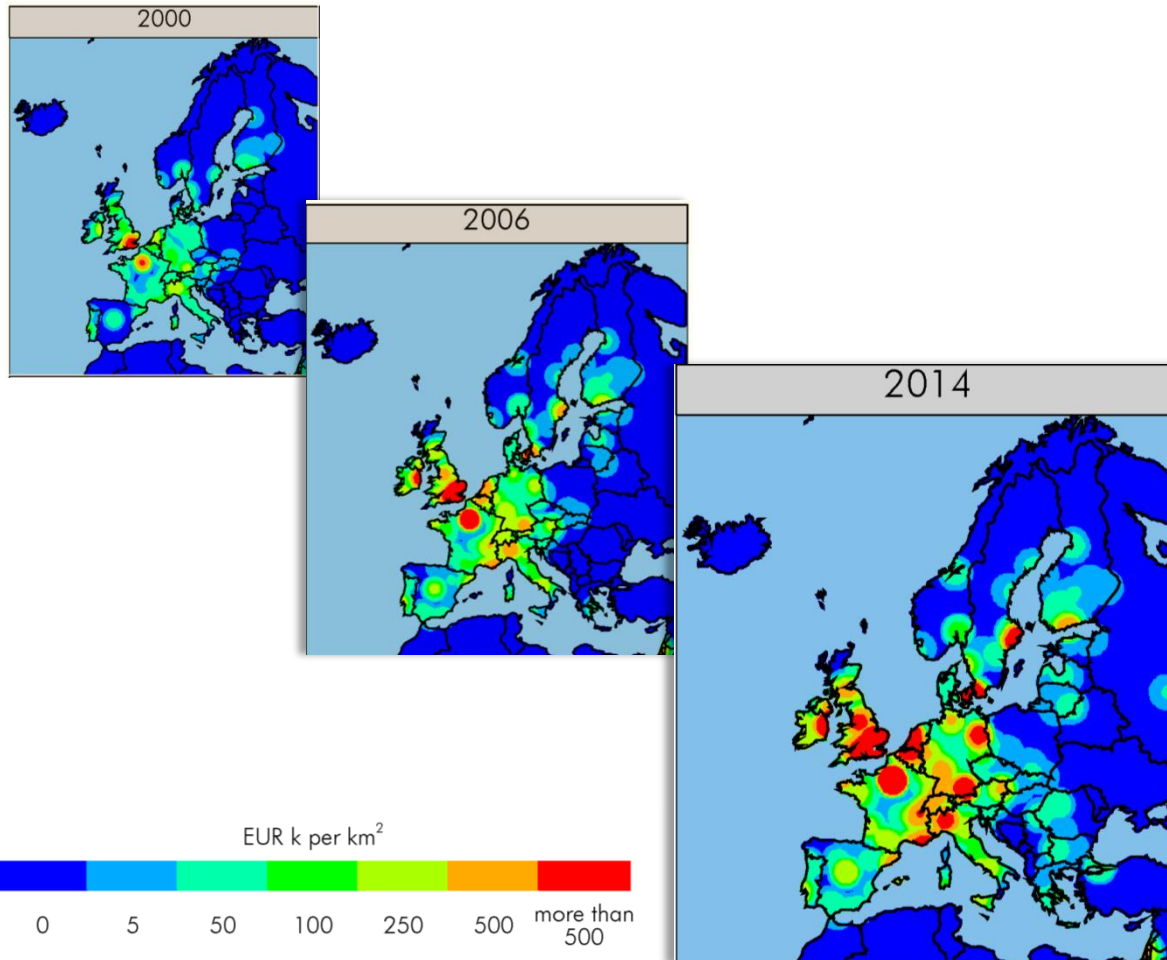


Sample under analysis



**Seed and Start-Up stage only, excluding expansion

EIF impact assessment – Venture Capital



What are the dynamics of EIF-backed VC activity in the last 20 years?

- Investments tend to concentrate in specific key areas. These innovative poles constitute the backbone of the European VC activity.
- The range of investments has broadened over time, expanding more and more towards more peripheral areas.

Guarantees in CESEE countries

Beneficiaries of loan guarantees compared to a control group, demonstrated, over 5 years:

- +17% in employment
- +19% in turnover

Venture Capital ecosystem

- 1% increase in EIF volumes



- 1.4% increase in investment volumes of other market players
- Bulgaria: EIF invested EUR 20m crowding in a further EUR 20m of private funds



Background information

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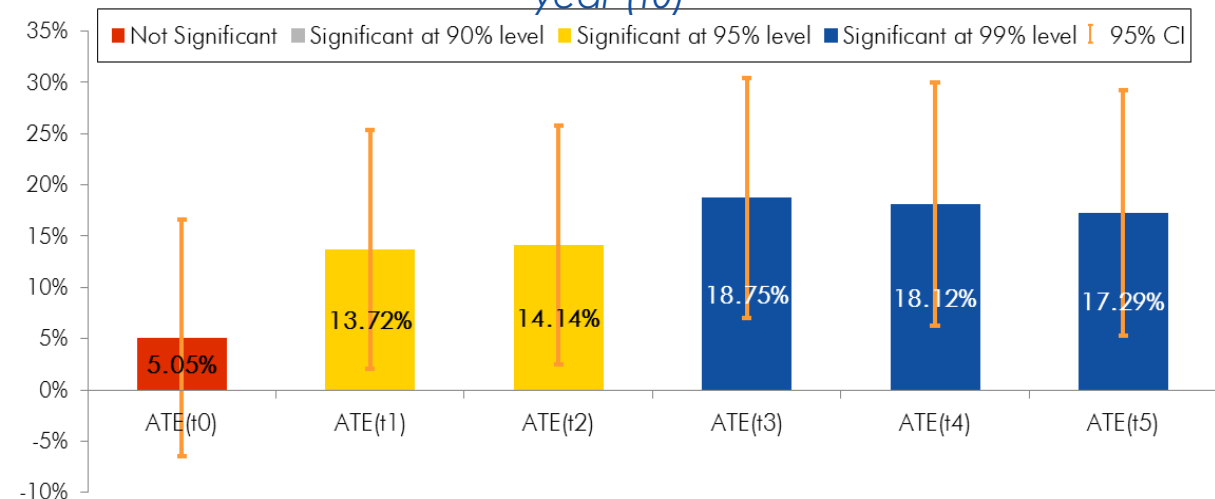
“ CESEE-wide effects ”

- MAP CESEE beneficiaries have experienced on average a significant increase in employment (14% to 18%) and turnover (up to 19%) compared to the control group.

The MAP effect on employment program is most noticeable for micro and small enterprises, and for young firms.

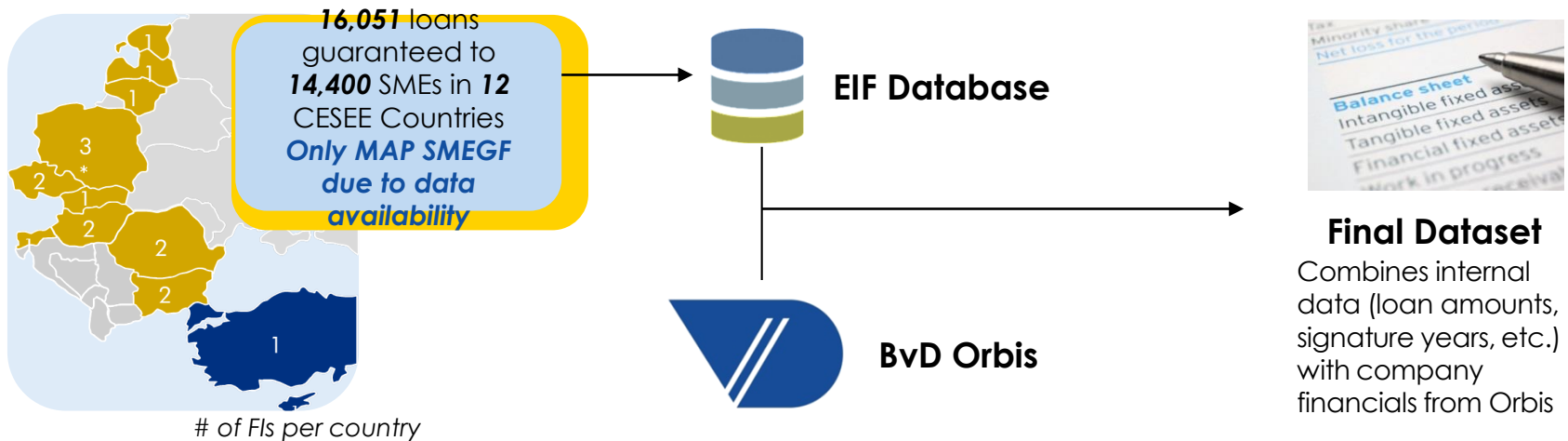
- The MAP has contributed the most where it was **expected to**: help small businesses with low credit score to access bank financing.

Figure: Average treatment effects on **employment** after signature year (t_0)



EIF impact assessment - guarantees

Data

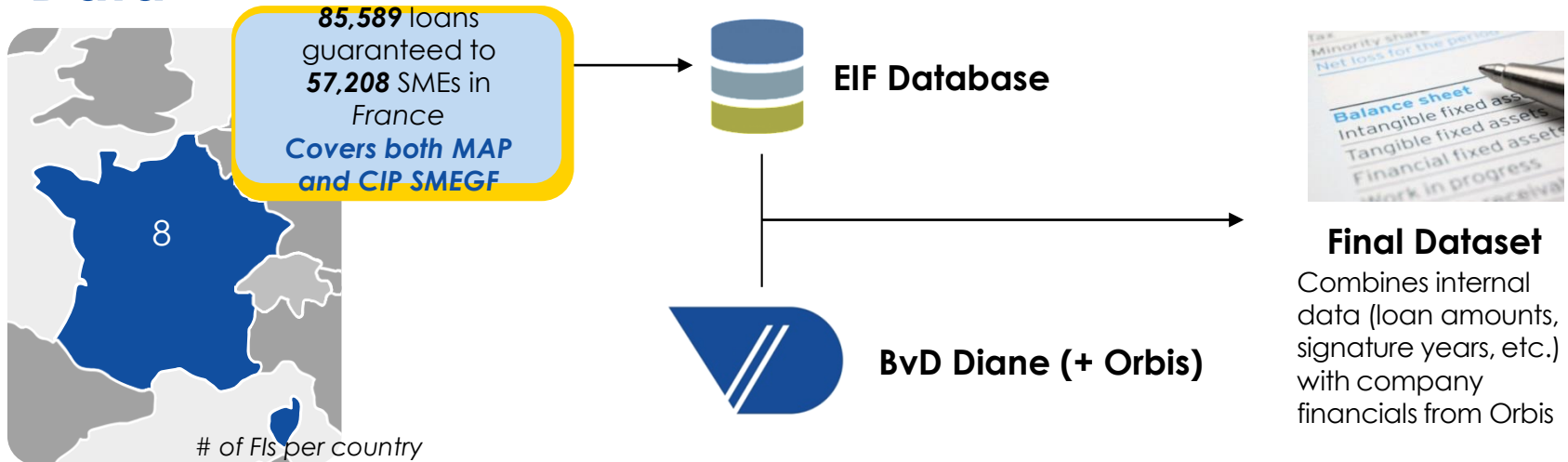


- **Methodology:** propensity-score matching and difference-in-difference estimation

EIF impact assessment - guarantees

Bertoni et al. (unpublished)

Data

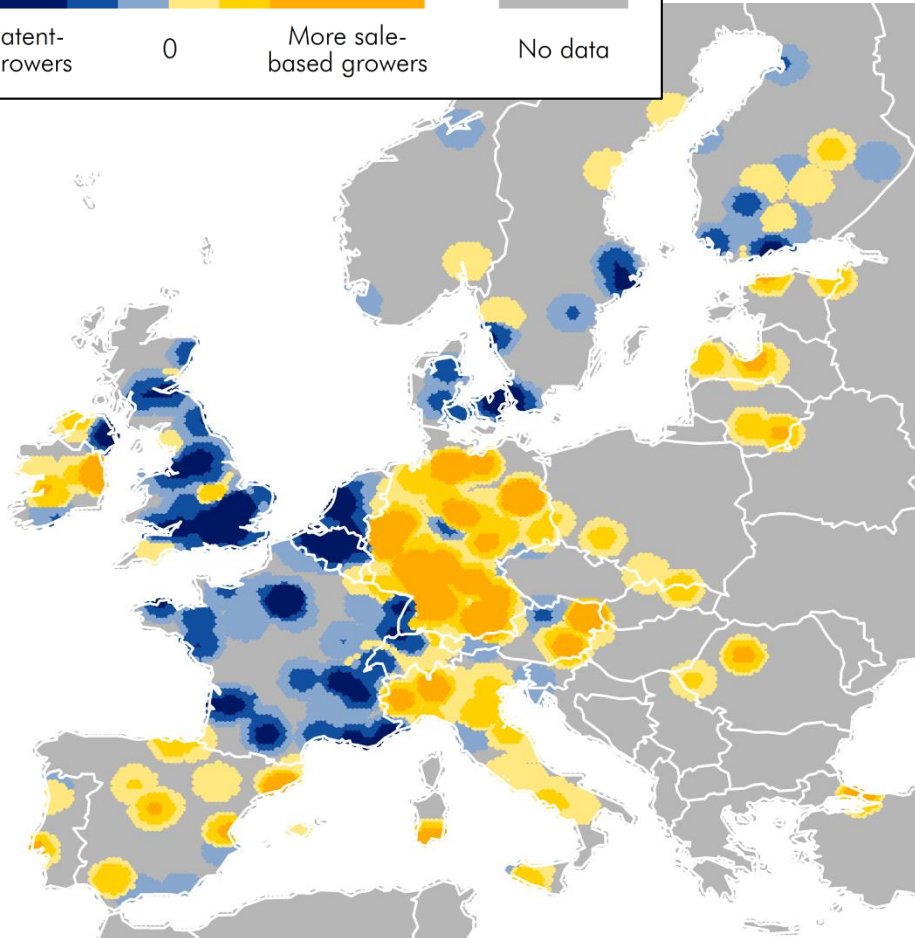


- **Methodology:** exact matching, propensity-score matching and difference-in-difference estimation
- **Results:** companies that received a guaranteed loan grew more than the control group in terms of sales (+6.7%), employees (+7.9%) and total assets (+9.2%). Guaranteed loans have a larger effect on younger and smaller companies.

Financial growth and cluster analysis

Main findings

More patent-based growers 0 More sale-based growers No data



- Comparing CAGRs of various KPIs in the first 5 years after investment, we observe 4 main start-up's growth profiles.
- In particular, we observed two kinds of outperformers: a) *sale-based growers*, with an explosive 5-year growth driven by sales; b) *patent-based growers*.
- The geographic distribution of out-performing start-ups hints at the presence of national and/or regional specialisation of growth types.

Figure 2: geographical spread of growth patterns