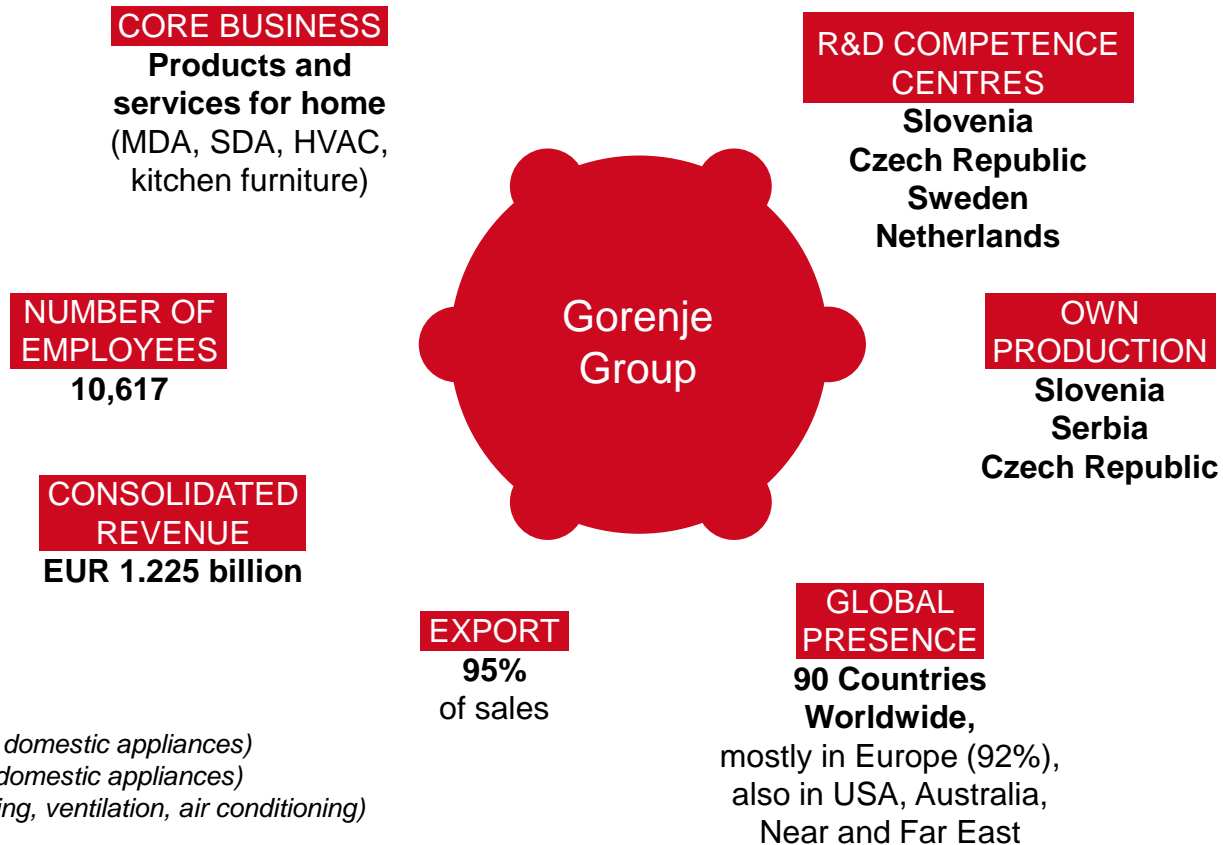


EIB FINANCING FOR SUPPORTING GORENJE GROUP R&D STRATEGY 2016 -2020

**Mr. Štefan Kuhar,
Executive director for Finance in Gorenje Group
November 2016**

One of Leading European Manufacturers of White Goods



Production Facilities for MDA in 3 Countries

Slovenia

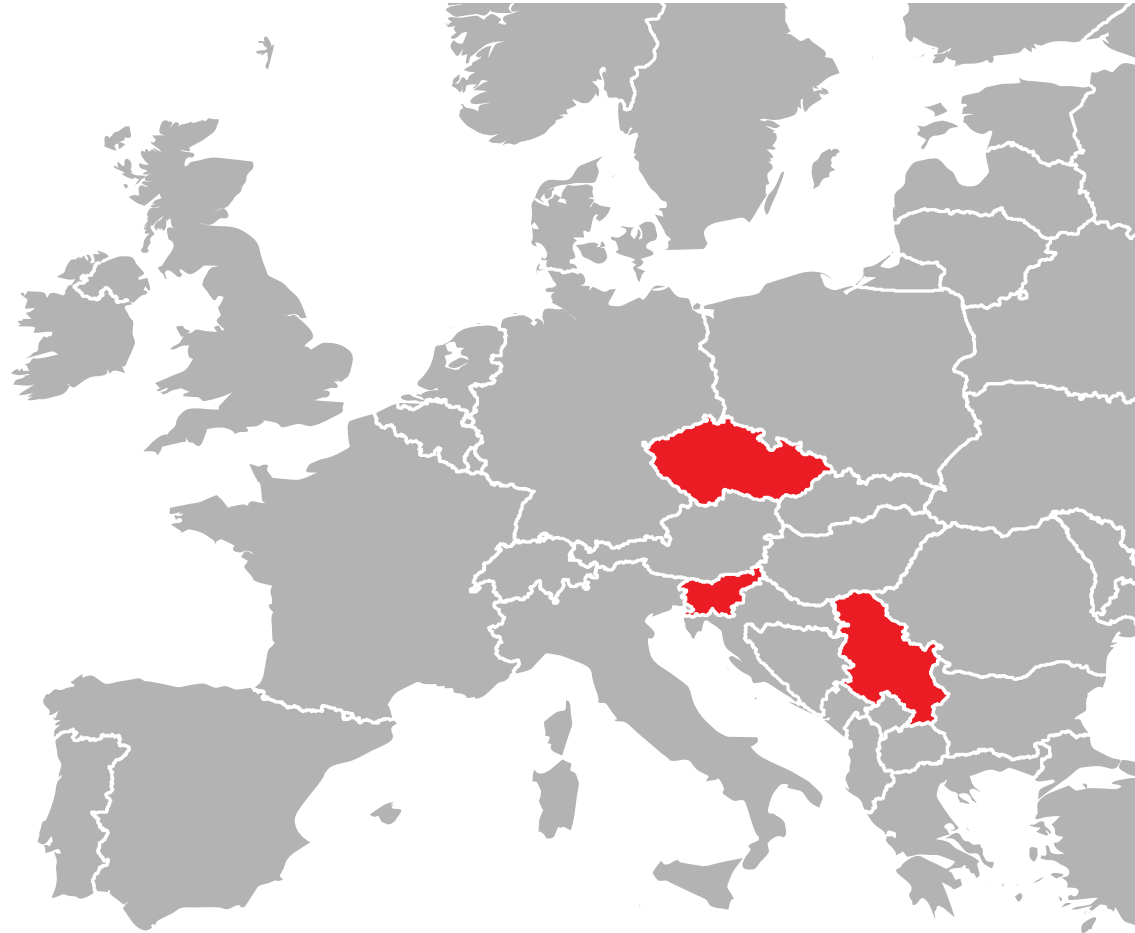
Velenje

Czech Republic

Mariánské údolí

Serbia

Valjevo, Stara Pazova, Zaječar



Most Important Sales Markets: Germany, Russia and the Netherlands

GERMANY
RUSSIA
THE NETHERLANDS

SERBIA
SLOVENIA
CZECH REPUBLIC
CROATIA
DENMARK

AUSTRALIJA
USA

UKRAINE
BIH
AUSTRIA
POLAND
BELGIUM
HUNGARY
FINLAND
NORWAY
RUMANIA
SLOVAKIA
SWEDEN
BULGARIA
GREAT BRITAIN
FRANCE
MONTENEGRO

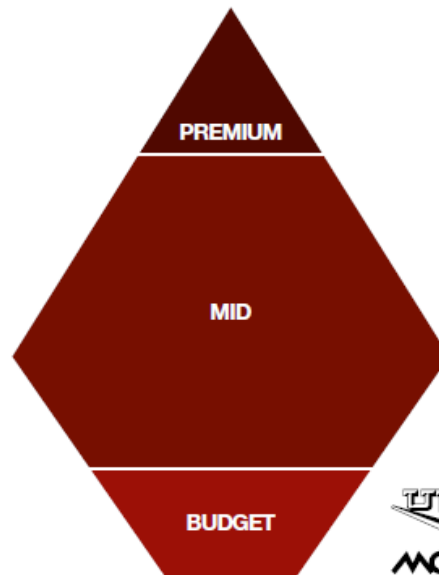


Gorenje Group Brand Portfolio

GLOBAL
BRANDS

ASKO

gorenje



PREMIUM

MID

BUDGET

LOCAL
BRANDS

ATAG

Pelgrim

TJPO
MORA

KETNA
körting

Benelux

Implementing a multi-brand strategy with attention on the upper-mid and premium price segment.

gorenjegroup



ASKO

Global premium brand

Main markets: USA, Australia, Scandinavia, Russia, Asia (selected markets)

Short-term: extend product portfolio and strengthen position on key markets

Mid-term: expand to new markets

Inspired by Scandinavia



**From a wet premium specialist to
a premium specialist offering the
whole MDA range**

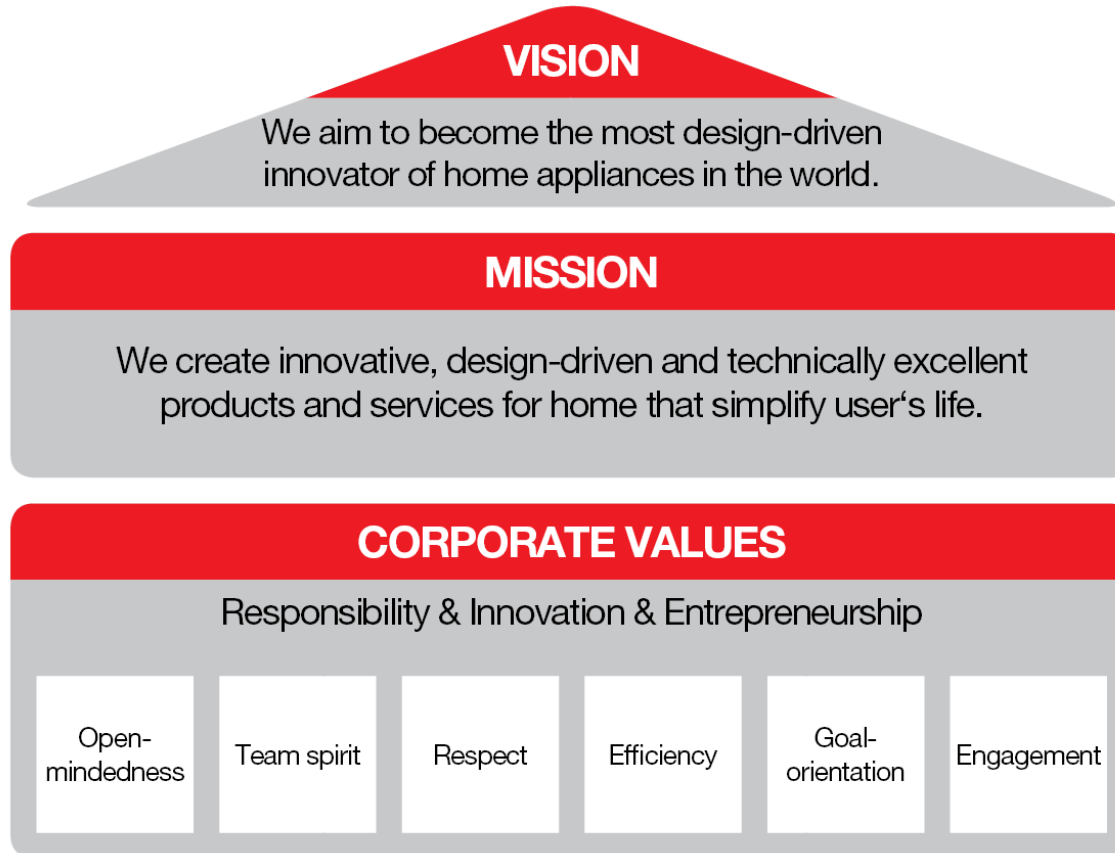
gorenjegroup



gorenje

**In more than 60 years, we have
always challenged the industry
with a daring design approach.**

Vision, Mission, Corporate Values



The difference is built on **design and innovation.**

Numerous awards for design, innovation, quality and brand recognition:

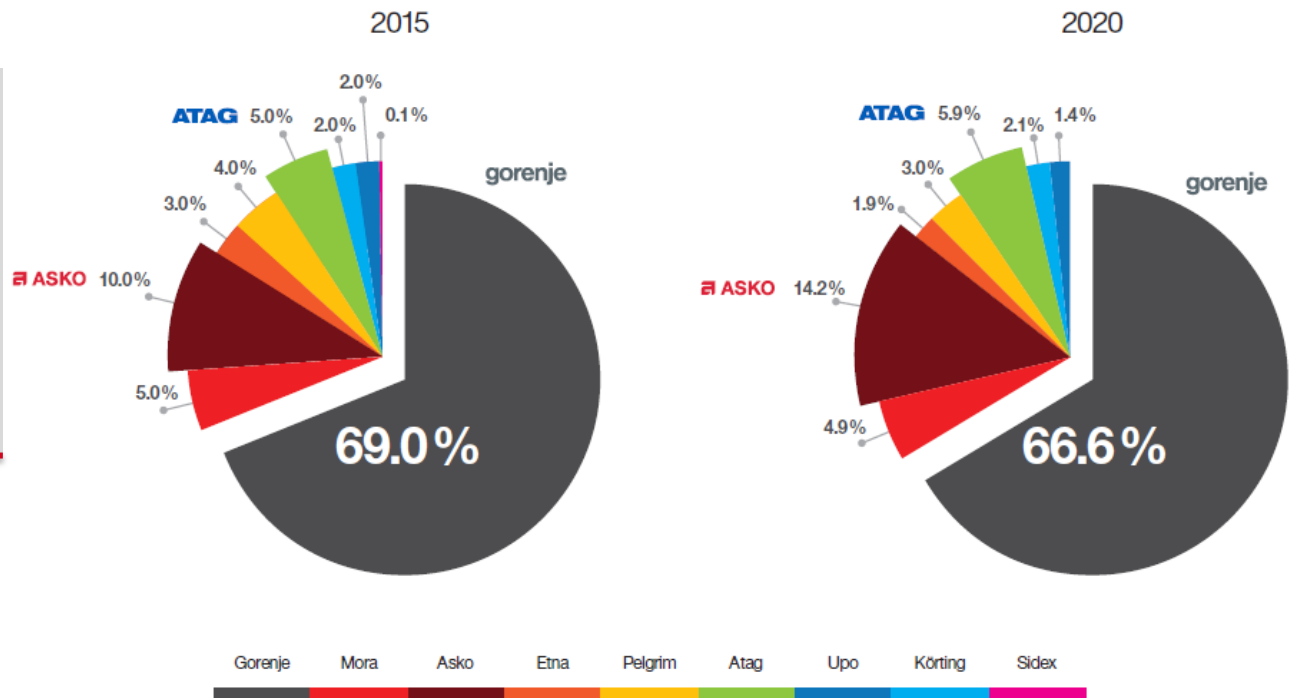


reddot design award



Share Structure of Sales by Brands in Value – 2015 & 2020

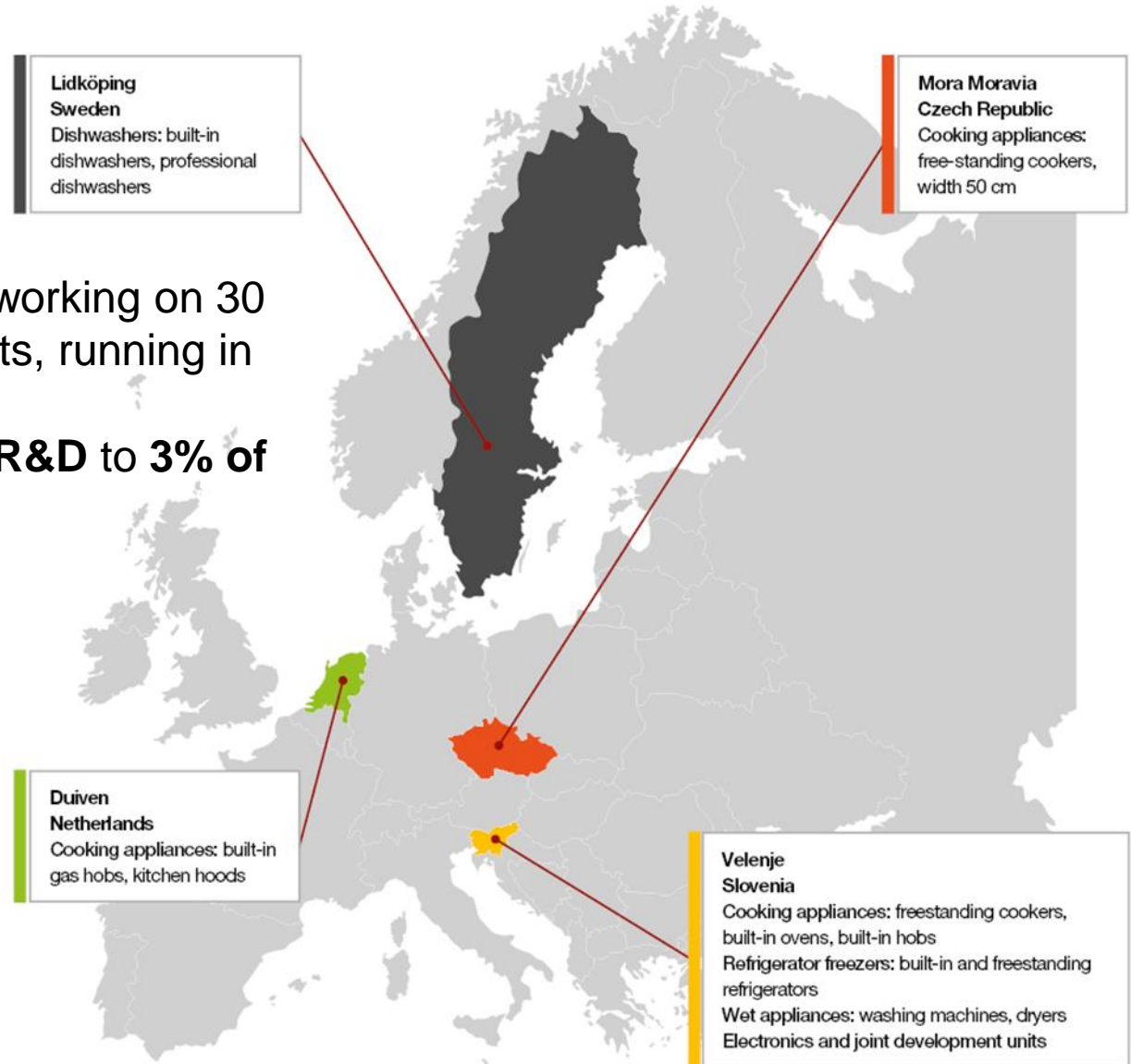
Doubled sales in innovative and premium segment which will amount to 30% of total sales in 2020



Asko appliances represent **10% in our revenues in 2015**, in **2020** will represent **14.2%** in value due to extension of product portfolio and expansion on new markets and strengthening the position on the existing markets.

R&D Organization: Research & Development centres

- **360 employees in R&D**, working on 30 major development projects, running in parallel.
- Increased investments in **R&D to 3% of total revenue**.



Velenje
Slovenia



Cooking: FS Cookers, BI Ovens, BI Electric Hobs

Cooling: FS Cooling, BI Cooling

**Laundry: Washing Machines, Dryers
Professional washers/Dryers**

Electronics and Joint Dev. Units

Duiven
The Netherlands



Cooking: BI Gas hobs, Cooker Hoods

Lidköping
Sweden



**Dishwashing: BI Dishwashers,
Professional Dishwashers**

Mora Moravia
Czech



Cooking: FS Cookers 50cm





Challenging the use of colours

**Nr.1 brand for appliances
in colours
in Germany**

since 1999

gorenjegroup



Passion for design.

Challenging the use of black colour

pininfarina

**The first black
collection in MDA**

2005



Challenging the user interface

**The first use of touch
TFT display in MDA**



2012

Challenging the hob

**The best performance
of sensor cooking**

gorenjegroup **CHALLENGING THE BEST DESIGNER
IN THE WORLD**

New design line Gorenje by Starck in 2015. World premiere at IFA fair Berlin 2015.



gorenjegroup **CHALLENGING THE AUTOMOTIVE
INDUSTRY – „THE FRIDGE“**

World premiere at IFA 2016: a fridge that was inspired by the legendary and iconic look of a VW Bulli van – ultimate and exclusive piece: **Volkswagen BULLI refrigerator**



gorenjegroup



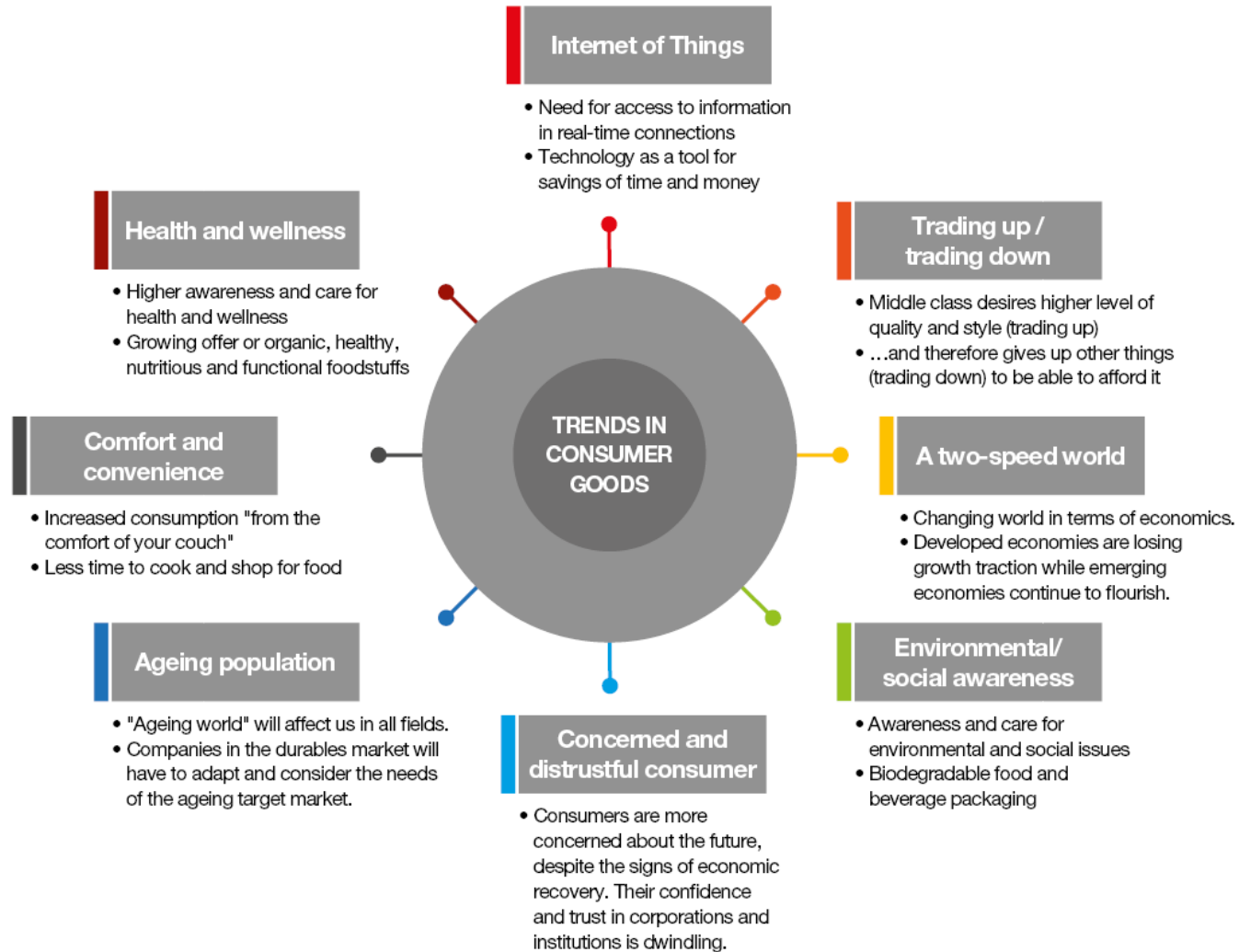
Built like professional

OPEN INNOVATION APPROACH.



- **Collaboration with strategic suppliers (competitive conditions)**
- **Strong collaboration with Institutes and Universities**

gorenjegr^oup Overview of trends on consumer goods market



FUTURE INSIGHTS

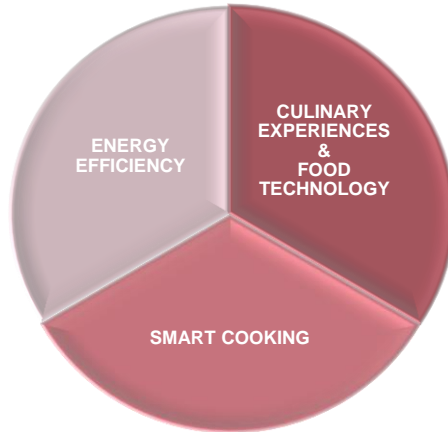
As concern around the environmental impact of modern living continues to grow, **consumers** will seek out household appliances that **tackle waste, energy and water shortages without sacrificing function and quality.**

KEY STRATEGIC DIRECTIONS IN R&D

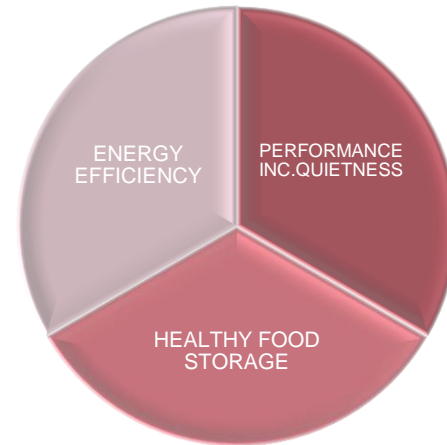
- **Innovations** – new or improved functionality of appliances / services through ECO friendliness that brings simplicity to our consumers.
- **Competitive product platforms**, based on principles of modularity, for Gorenje Group brands and strategic partners.
- **Quality** of products – performances, reliability and durability.

INNOVATION AREAS AND MAIN PLATFORM PROJECTS

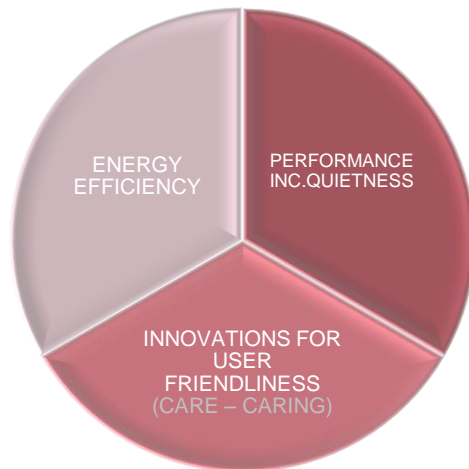
COOKING INNOVATION



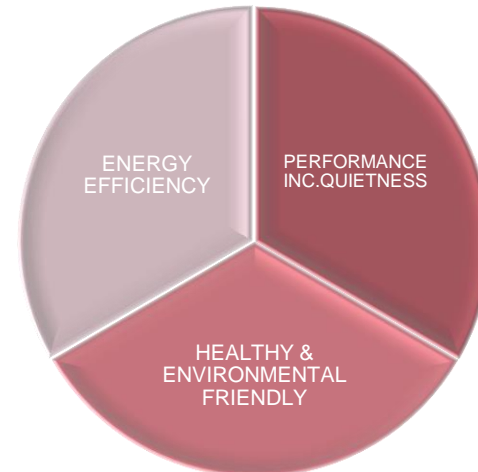
COOLING INNOVATION



DISHWASHING INNOVATION



LAUNDRY INNOVATION



gorenjegrup **EIB COOPERATION**

- **Supporting Strategic plan 2016-2020 implementation,**
- **EIB finance a project of investments in research, development and innovation in the field of major domestic appliances (MDA)**
- **R&D activities include R&D on new products (app. 70 per cent of the project costs) as well as innovation activities to maintain the current product portfolio**

EIB supports the Gorenje Group's research in:

- **improved performance,**
- **lower energy consumption and lower use of resources (such as water) for a range of such household goods,**
- **Functionality and user-friendliness enhancement and design.**

gorenjegrup EIB COOPERATION

- **The Project is carried out mainly in the Gorenje's R&D centre and headquarters in Velenje (Slovenia) and to a lesser extent in the R&D centres in Duiven (The Netherlands), Lidköping (Sweden) and Mora Moravia (Czech Republic).**
- **The Project is divided in many specific sub-projects for different product groups.**
- **The project will be implemented in the period between 2016 and 2019.**
- **The borrowing sum shall not, in any case, exceeds 50 per cent of the total cost of the Project.**

Steps taking in building cooperation:

- 1. Initial meeting**
- 2. NDA signing**
- 3. Meetings between specialized teams from R&D and finance areas**
- 4. Data preparation for approval process**
- 5. Approval**
- 6. Signing of loan agreement**

Conclusion:

The whole process was lead by EIB who was extremely supportive, helpful and professional.

EIB COOPERATION

The financing:

- Amount of the loan provided by EIB: EUR 50 million,
- Term: 6 years,
- Repayment: in semi-annual instalments, final maturity 6 years from the disbursement of each tranche,
- Interest: fixed or floating (determined at the drawdown of each disbursement)
- Unsecured: pari-passu, negative pledge
- Financial covenants
- Other covenants customary for this type of financing

Advantages for Gorenje Group:

- Competitive pricing, flexibility in disbursements and interest type (fix/floating), favourable maturity.
- financed strategic activities will be reflected in the market through new products, product lines

Scandinavian design



Thank you!