

Conclusions

Faurecia – hydrogen mobility

INVEU-ICR-0019-2022 – Research, Innovation and Digitisation

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Faurecia
Countr(ies) of implementation	France, Germany
Implementing partner	EIB

The project concerns the promoter's technology and product developments of Hydrogen automotive propulsion technologies, and active safety systems. It includes: (i) R&D and manufacturing deployment of hydrogen storage tank systems; (ii) R&D and manufacturing deployment of hydrogen fuel cell stack systems through its participation in the joint venture Symbio created with Michelin; and (iii) R&D on vehicle advanced driver assistance systems and driver monitoring systems.

The project contributes to the sustainability of the automotive sector through its strong focus in decarbonisation and safety.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 8.6.2022 for the above mentioned operation.

The project concerns the promoter's investments in the fields of hydrogen and fuel cells technologies, for vehicle electrification and decarbonisation, and technologies for the automation and increased safety of passenger car. It will create the conditions for their accelerated and wider market adoption. It will contribute to further knowledge creation, accumulation and diffusion through collaborations with industry and academia and patenting, will support the development of a relevant ecosystem of technology companies and the necessary skills also through reskilling and upskilling of existing employees. The investments contribute to the Bank's "Innovation, Digital and Human Capital" public policy objective; a part of them contribute to EIB Climate Action and Environmental Sustainability policy objective and to the EU's economic, social and territorial Cohesion policy objective. EIB financing supports the promoter's investments addressing the market failures and gaps associated with imperfect competition and incomplete markets for innovative hydrogen fuel cell and vehicle automation and driver monitoring technologies, and those addressed by projects with positive environmental, safety and knowledge externalities generation.

Conclusions

The promoter's R&D capability, its strong focus on innovation and sustainability, its technology edge, industrialisation capability and strong ecosystem of partners, along with its experienced management will help implement a sound and sustainable project, integrating positive environmental, safety and social dimensions, contribute to address and mitigate market failures, and through its additionality, contribute to the Bank's policy objectives.

EIB's involvement provides a highly flexible financial product to the client allowing access to the liquidity needed for the relevant capex investments required for hydrogen technologies investments and ADAS.

By allowing the client to diversify its sources of funding and consolidate its liquidity position in the current context, the EIB loan sends a strong message of support to the Counterpart in the market. The EIB loan is expected to play a catalyst effect on both the debt and the equity market. In light of the investments needed the loan is expected to be drawn at signature.

The Bank's technical contribution and advice is explained by the guidance provided to align the project scope with policy objectives at project origination.

The Investment Committee appreciates that while being attentive for not distorting competition in an industry sector with currently difficult access to the debt and equity market, the InvestEU support with long tenor combined with other forms of public support, as well as the contribution of technical expertise from the EIB, has a valuable signalling and crowding in effect. It will reassure the market and has high potential on mobilising other financiers, especially private ones. The use of InvestEU guarantee is signalling the strategic importance of hydrogen technology and that the project is sound and worth supporting.