

InvestEU Scoreboard

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: LOXAM ELECTRIC CAPEX PROGRAM

Type of approval :

- Individual financing or investment operation or
 Framework Operation

Name of the final recipient: LOXAM SAS

Country(-ies) of implementation: France

Short description of the financing or investment operation:

The project consists in the company's multi-annual green investment plan in new state-of-the-art electric equipment as well as other 'low emission' biofuel and hydrogen powered equipment substituting fossil fuel-powered, polluting and CO₂-emitting rental equipment in France. It includes the implementation of charging stations and hydrogen-refuelling stations, as well as the associated digitalisation for tracking, remote diagnostics and preventive maintenance.

The project will support Loxam's recently decided ambitious decarbonisation strategy, and will set an example in Europe in the construction equipment rental sector and the construction sector at large.

Loxam aims to go further than its peers in reducing greenhouse gas emissions (purchase of electric and hybrid equipment, optimisation of transport, etc.), professional inclusion (apprenticeships, local recruitment, people with disabilities, etc.) and regional development (increasing its rental sites network coverage, working with local companies, etc.).

Public Statement

The company stands out in the sector as the most ambitious driver of the concept of natural resource use, management and protection / circular economy. The project constitutes a significant investment in fleet electrification and substitution of fossil-fuelled equipment with zero/low emission equipment. The project will help to reduce the energy consumption, avoid exhaust emissions, reduce noise emissions and reduce pollution by oils and lubricants during operation and maintenance. The associated digitalization will enable the tracking, remote diagnostics and preventive maintenance of the equipment and thereby further reduce the carbon footprint. These factors combined constitute a significant 'development and deployment of innovative solutions and business processes for circular economy' in the construction equipment rental business, and set an example to the construction sector at large. The project addresses the market failures of insufficient investment in circular economy in the EU and insufficient attention in the construction equipment rental sector for reducing energy consumption and extending the life of the assets.

Most of the project will be implemented in sites located in cohesion regions. The project thereby supports the strengthening of the EU's economic, social and territorial cohesion. These local investments will contribute to the creation of a more sustainable, healthy and affordable living environment, and in maintaining and expanding the promoter's employment in the regions concerned.

The EIB loan addresses the borrower's needs to (i) achieve greater financial flexibility by shifting its financing profile towards longer term financing and (ii) diversify its lender pool. The EIB loan will provide

a financial safeguard to the promoter and supports its equipment electrification plan and through the uncertainty triggered by the COVID-19 crisis. The proposed loan structure provides the borrower with the necessary flexibility to undertake the investments. Origination and appraisal of the operation has benefited from EIB technical expertise. Targeted regular monitoring will be applied.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Good**)

Pillar 5 - Impact of the financing or investment operation (**Excellent**)

Pillar 7 - Complementary indicators	
Key project characteristics	
Expected at PCR	
Start of works	01.01.2022
End of works	31.12.2024
Project investment cost	292.60 MEUR
EIB eligible investment mobilised	292.60 MEUR
External EIB multiplier	2.10
Mandate eligible investment mobilized	292.60 MEUR
Mandate multiplier effect	13.16
Mandate leverage effect	5.85
Amount of private financing	162.60 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	85.27% Mitigation Energy Efficiency (transversal) / 7.11% Mitigation – Other (transversal)
Employment during construction - temporary jobs	1,665 person years
Employment during operation - new permanent jobs	608 FTE
Gender Tag	No Significant contribution to Gender Equality
Outputs	
Expected at PCR	
Digitalisation content – PROJECT based	22.30 MEUR
Outcomes	
Expected at PCR	
Total sales of the promoter	2,500 MEUR
Total employment of the promoter	12,000 FTE
Percentage of promoter's employment supported by the project	5.00 %
Digital transformation impact	2 - Good