

# IMPACT REPORT of Private Equity in Morocco

Year 2021

# Active members



## 01

### **Fund Management Companies**

- 1- Corporate Social Responsibility and Governance
- 2- Parity between women and men

## 02

### **Invested Companies**

- 1- Revenue and exports growth
- 2- Team growth and Parity between women and men
- 3- Corporate Social Responsibility
- 4- Corporate governance
- 5- Tax contribution

## 03

### **Annex**

Scope and methodology

# Fund Management Companies

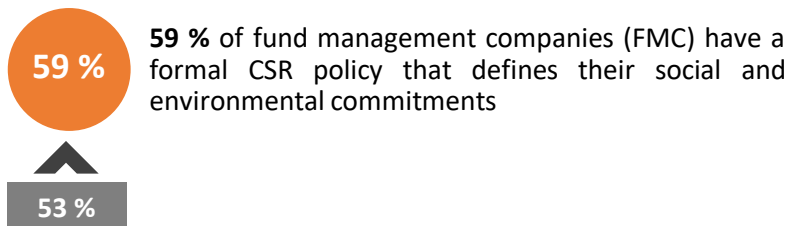
- 1- CSR et Governance
- 2- Parity between women and men

# 01

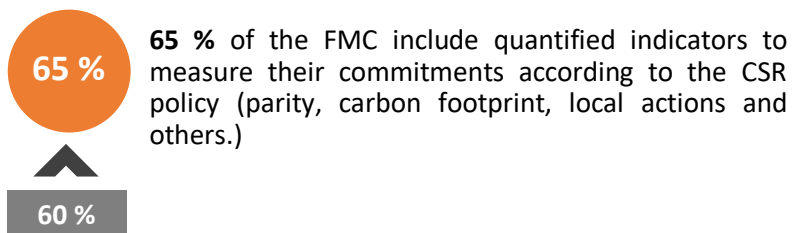
Fund management companies

## 1- CSR and Governance

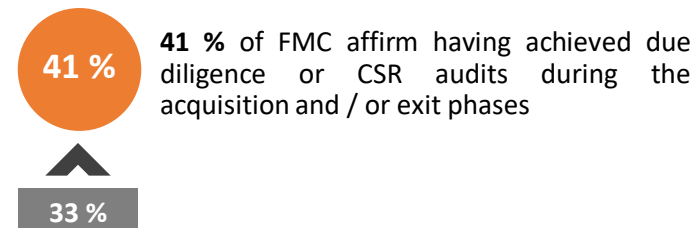
### Formalisation – CSR policy



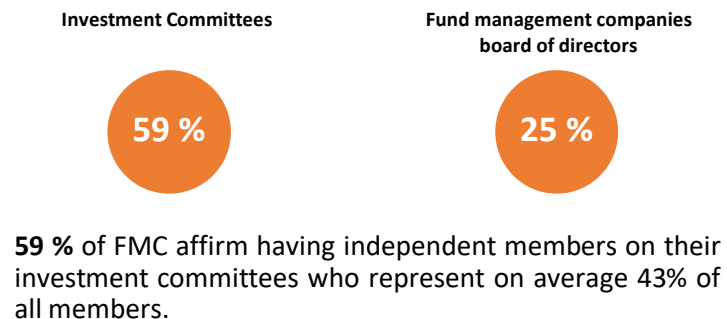
### Monitoring - CSR indicators



### Execution – CSR Due diligence



### Presence - Independent members



**x** 2021 numbers

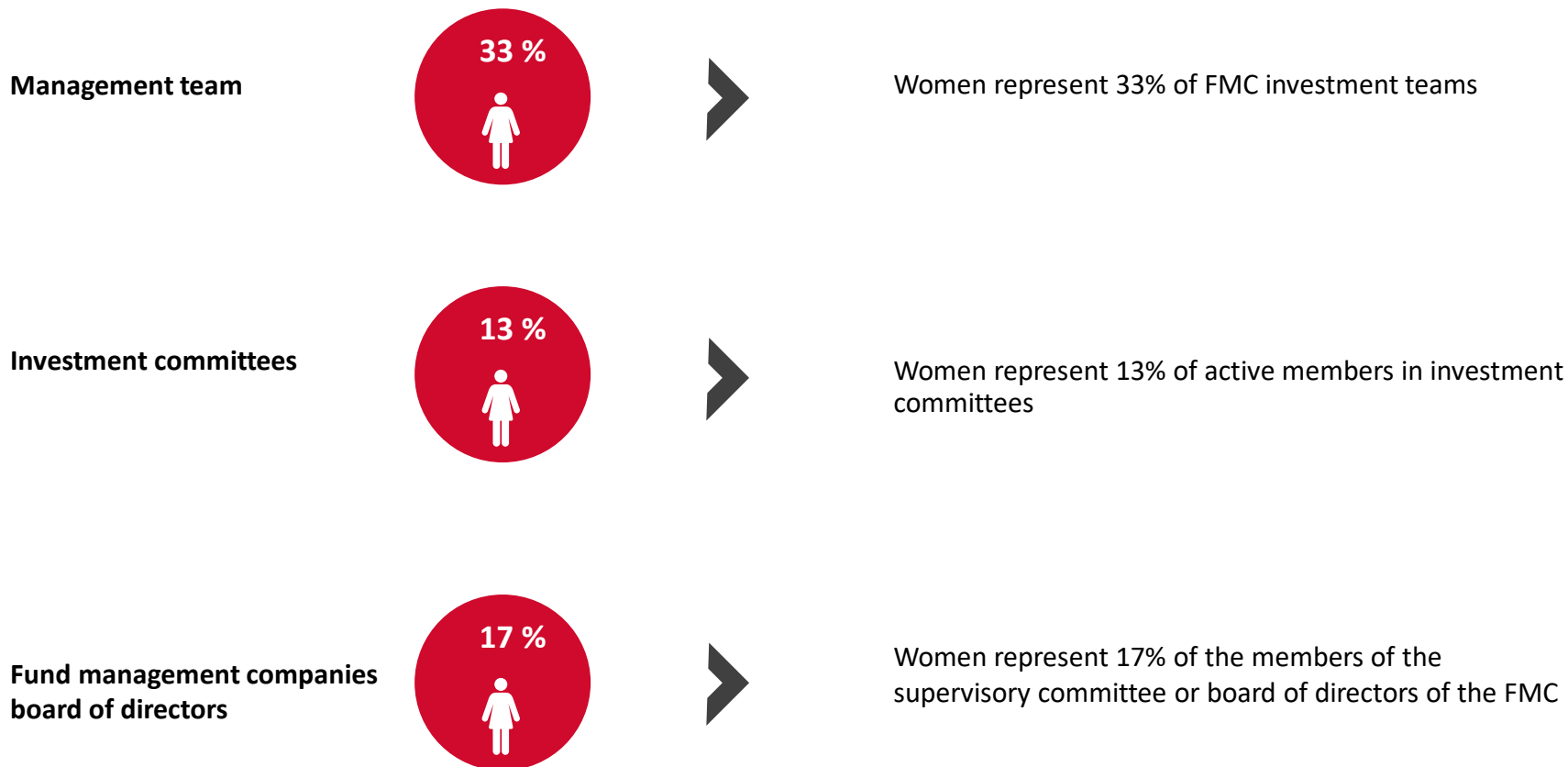
**x** 2020 numbers

# 01

Fund management companies

## 2- Parity between women and men

In 2021





# Invested companies

- 1- Revenue and exports growth
- 2- Team growth and Parity between women and men
- 3- Corporate social responsibility
- 4- Corporate governance
- 5- Tax contribution

## 1- Revenue growth between 2000 and 2021 (or exit year)

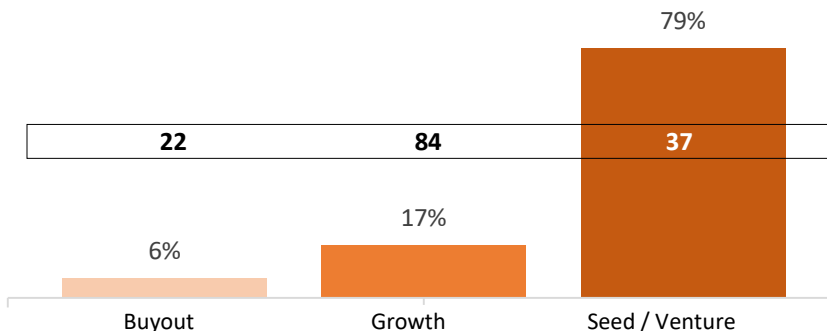
### End of 2021

CAGR of invested companies revenues = **18,3 %**

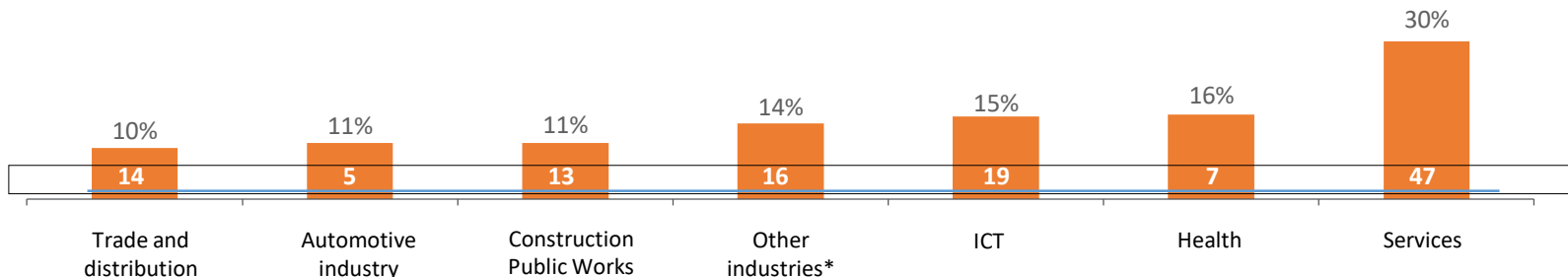
CAGR by end of 2020 = 11,3 %

CAGR by end of 2019 = 15,1 %

Revenue, average annual growth rate by the end of 2021 by stage



Revenue average annual growth rate by the end of 2021 by sector



**X** Number of companies concerned by sector and by stage

\* Other industries : packaging, biotechnology, metallurgy, pharmaceuticals and others.



## 1- Revenue and exports growth

In 2021

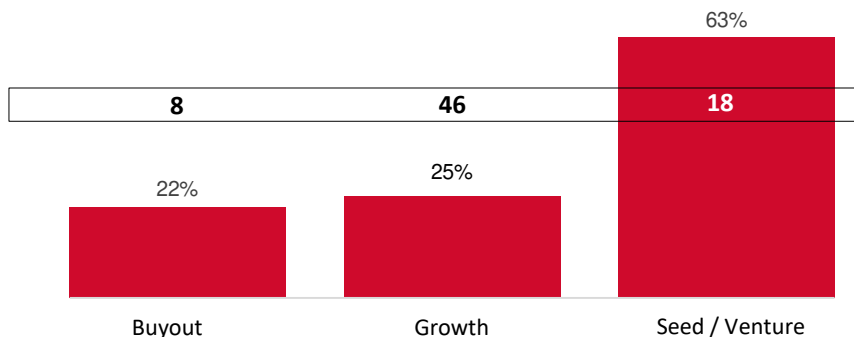
### Revenue growth rate and of GDP in Morocco

Growth of **Revenue in 2021** (Companies invested by funds) = **27,6 %**

Growth of **Revenue in 2021** (Listed companies) = **9,9 %**

Growth of **GDP in 2021** = **7,4 %**

### Revenue growth rate by stage



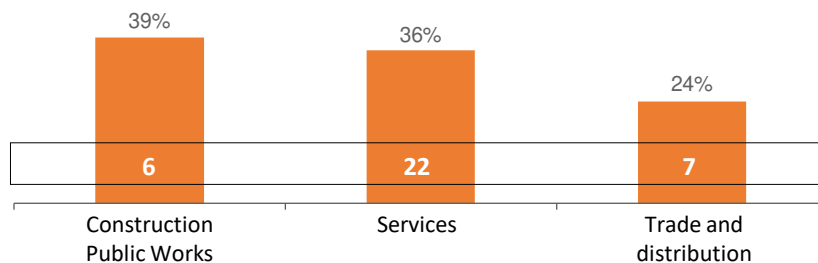
### Focus : Exportations en 3 chiffres

**31 %** Share of exporting companies among companies invested by funds

**32 %** Average share of export revenues in 2021 among exporting companies

**34 %** Average share of export revenues in 2019 among exporting companies

### Best performing sectors based on revenue growth



The sectors invested by the funds - having experienced the strongest growth in their revenues - in 2021 are **Constructions Public Works (39 %)**, **Services (36 %)** and **Trade and distribution (24 %)**. The growth rate recorded by all sectors invested by the funds in 2021 is **27,6 %**.

X

Number of companies concerned by sector and by stage

# 02

Invested companies

## 2- Team growth and Parity between women and men

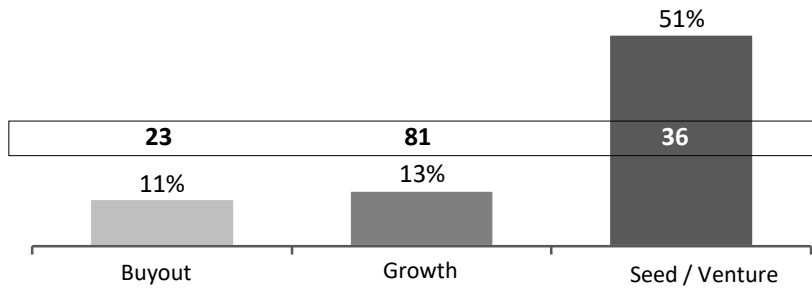
### End of 2021

CAGR of the teams of invested companies = 16 % \*

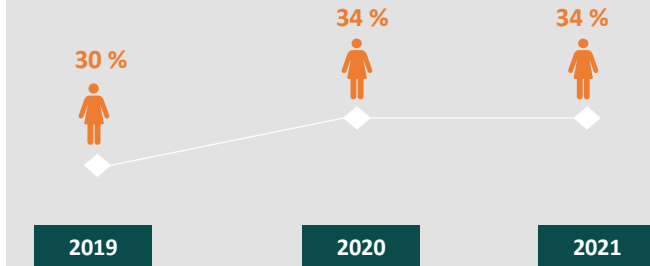


CAGR end of 2020 = 12 %  
CAGR end of 2019 = 15 %

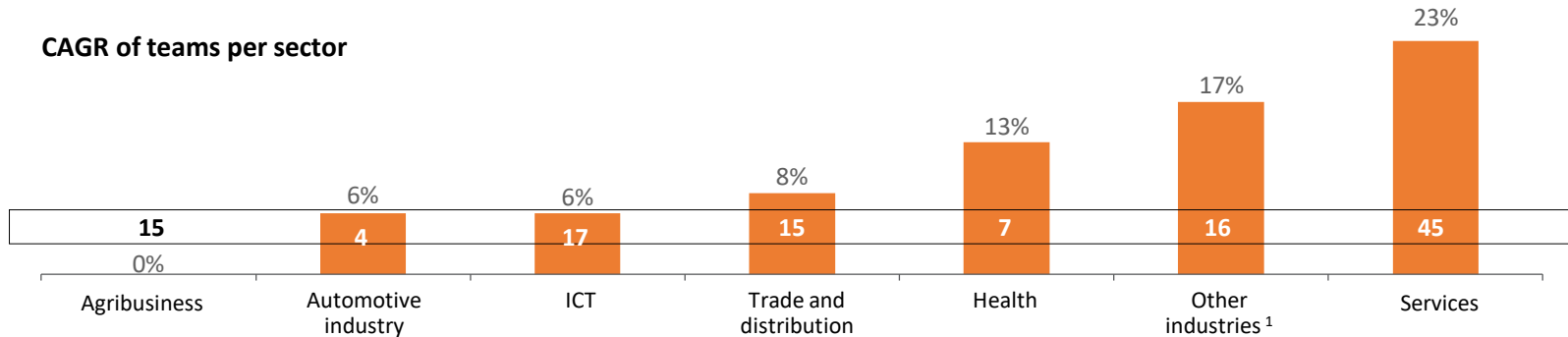
### CAGR of teams by stage



### Focus : Share of women in the invested companies teams



### CAGR of teams per sector



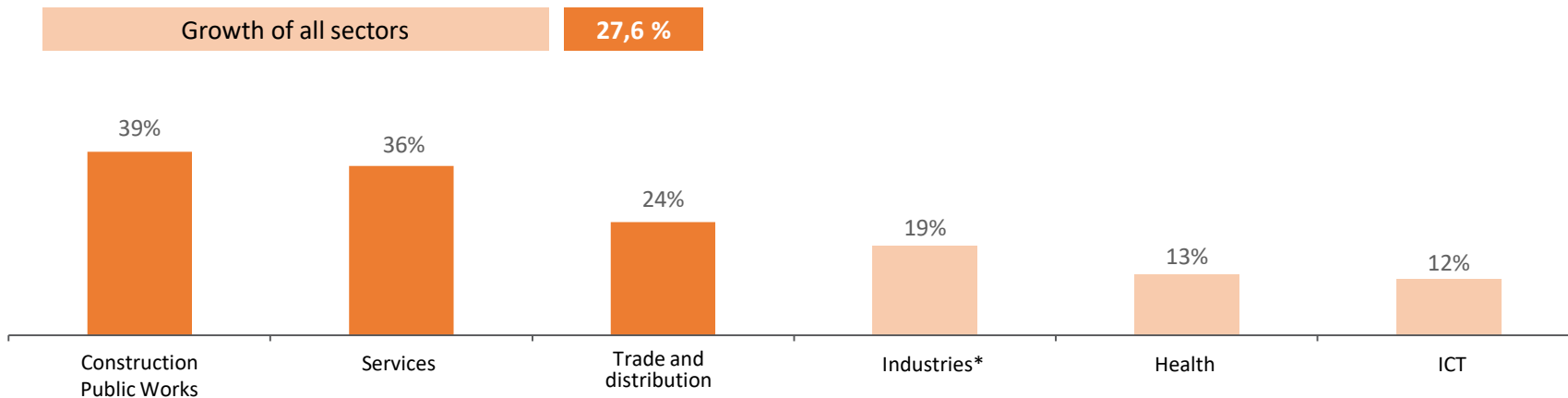
X Number of companies concerned by sector and by stage

<sup>1</sup> Other industries : packaging, biotechnology, metallurgy, pharmaceuticals and others

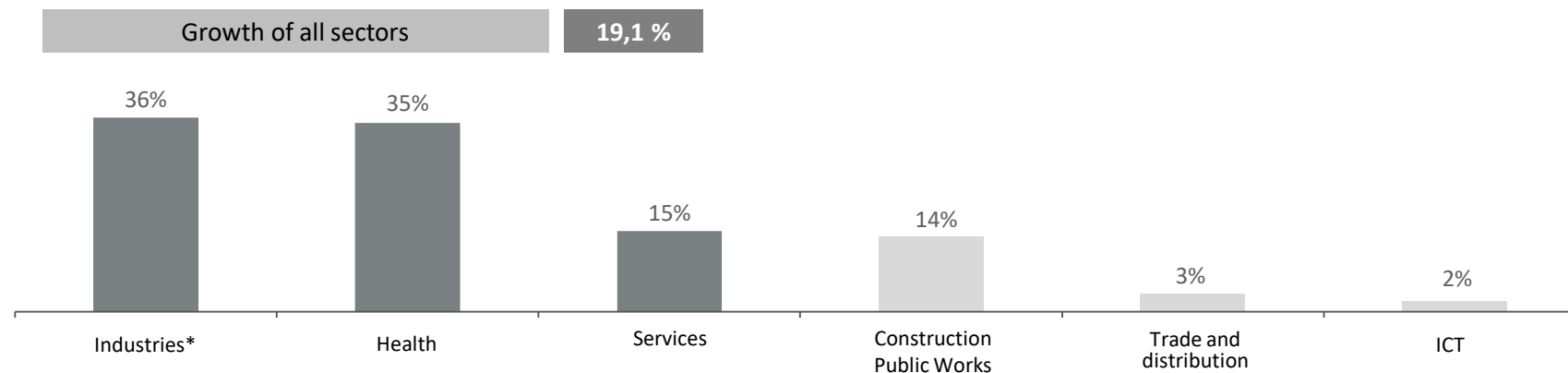
\* 20 % if we integrate a newly invested "Large Cap". The data has been excluded due to the nature of the transaction and its significant impact on the general trend observed (Cf. AAGR methodology)

## Focus 2021 Impact on revenue and teams by sector

### Evolution of revenue by sector



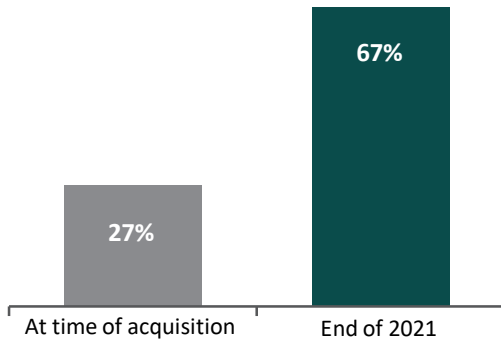
### Evolution of teams by sector



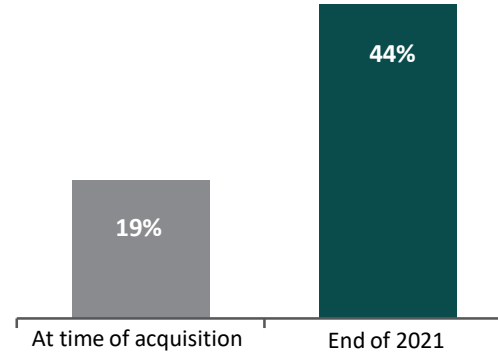
\* Industries: agribusiness, automotive, chemicals, packaging, biotechnology, metallurgy, pharmaceuticals and others

## 3- Corporate social responsibility (CSR)

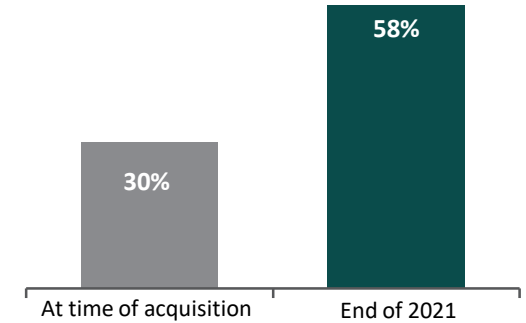
Annual training plan



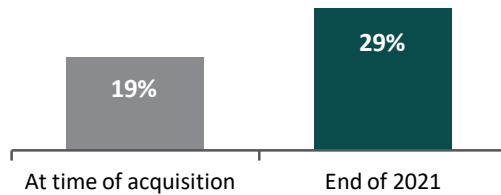
Strategic workforce planning



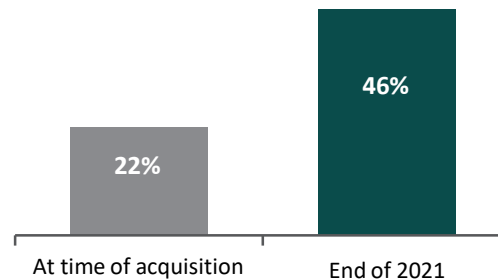
Code of ethics



Actions engaging the company in social activities



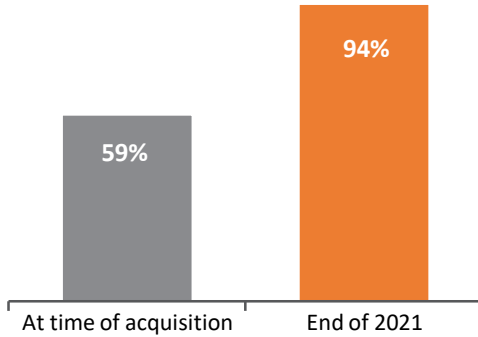
Actions for environmental protection



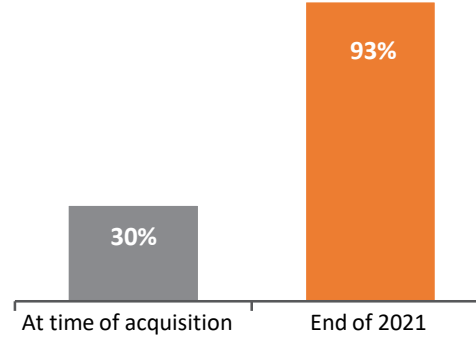
Invested companies show a **significant improvement** in their **CSR indicators** between the date of the equity investment and the date of cession (or at the end of 2021 for companies still invested by the funds).

## 4- Corporate governance

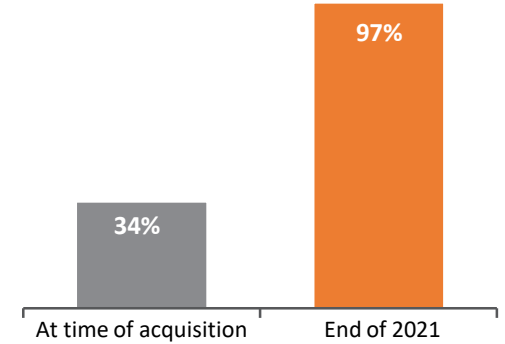
Company audit



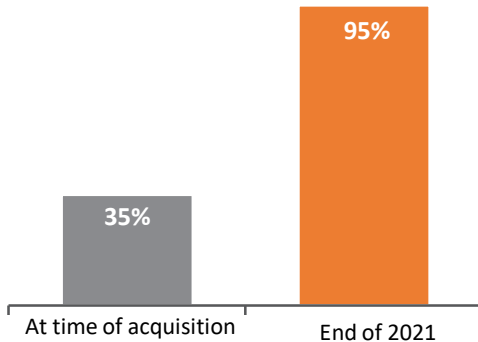
Oversight and steering committees



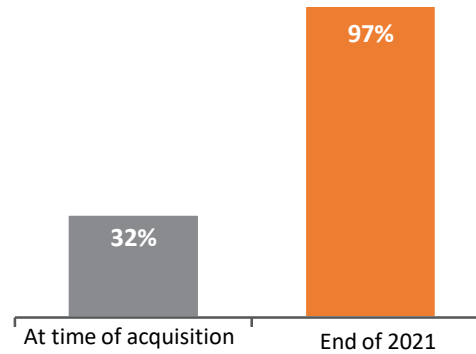
Reporting tools



Performance indicators and scoreboards



Budgeting and budget monitoring policies

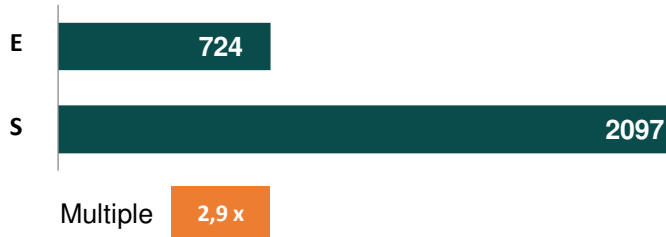


**Almost all of the companies invested ultimately meet the requirements of investment funds in terms of improving governance and setting up communication and financial transparency tools.**

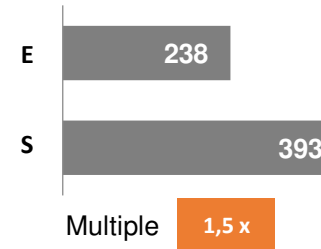
## 5- Tax contribution

Tax contribution evolution by type of tax (in Mln MAD)

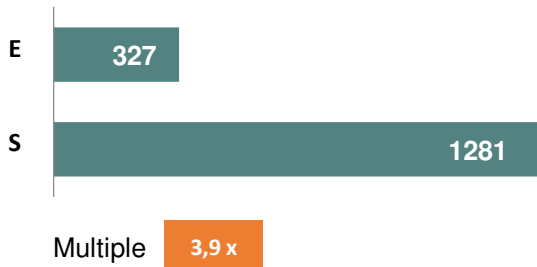
### Corporate tax



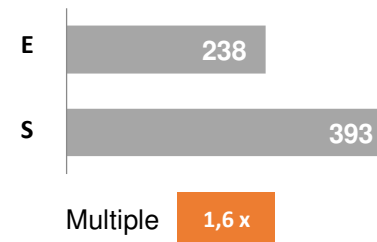
### Income tax



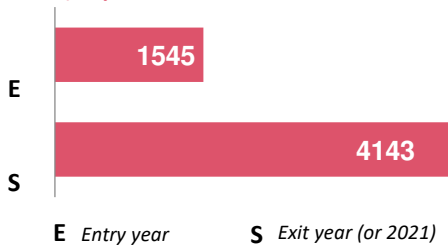
### Value-added tax (VAT)



### Other taxes



### Total Taxes (corporate tax – income tax – VAT – other taxes)



Invested companies have a **higher tax contribution between the entry and exit years of the fund** (or 2021 for companies still invested). Out of nearly 150 SMEs supported between 2000 and 2021, the sector's tax contribution **increased by more than 2.6 billion dirhams** for an average holding period of 6 years.



# Annex

Scope and methodology

## Scope and methodology

### Scope



The study covers :

- All of **fund management companies, members of AMIC, having a representative office in Morocco**, for which a part of the funds is dedicated to the investment in Morocco.
- Funds invested **mainly in SMEs and unlisted companies**.
- Funds with a **limited lifespan**.
- All sectors **except funds dedicated to real estate and tourism**.
- **Number of companies involved :**
  - Revenue Analysis : in total **(143)** – in 2021 **(72)**
  - Staff Analysis : in total **(140)** – in 2021 **(72)**

### Methodology



Data collection was carried out a survey conducted among **19 fund management companies and based on their statements**.

Two separate forms have been distributed to the fund management companies:

- 1. ESG/CSR form :** FMC's ethical, social and environmental commitments.
- 2. Impact form :** Economic, social and CSR indicators of the companies invested.

**The revenues and teams CAGR were weighted by the amounts invested.**

Founded in 2000, **AMIC** (the Moroccan Private Equity Association) is an independent professional association whose mission is to **unite, represent and promote the Private Equity profession** to local and international investors, entrepreneurs and governmental bodies.

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- **Active participation in discussions** on any draft law regulating the sector
- **Establishing a good governance and ethics code** for the Private Equity industry and promoting compliance with this code
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Website : [www.amic.org.ma](http://www.amic.org.ma)

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