

IMPACT REPORT of Private Equity in Morocco

Year 2022

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
6. EBITDA

03

Annex

Scope and methodology

Fund Management Companies

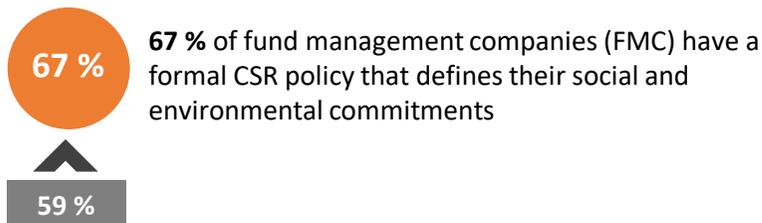
- 1- CSR and governance
- 2- Parity between women and men

01

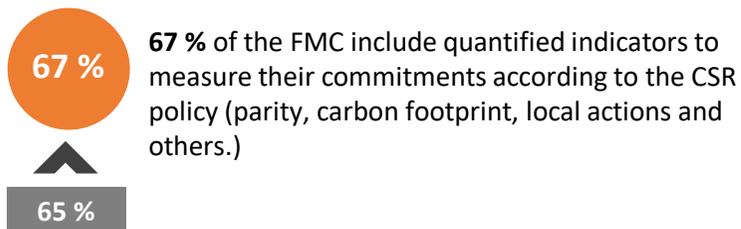
Fund management companies

1- CSR and Governance

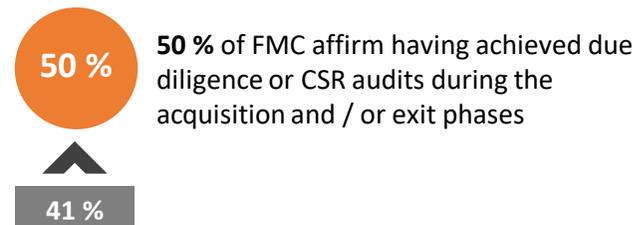
Formalisation – CSR policy



Monitoring - CSR indicators



Execution – CSR Due diligence



Presence - Independent members



x 2022 numbers

x 2021 numbers

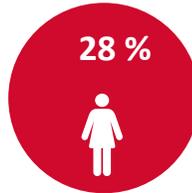
01

Fund
management
companies

2- Parity between women and men

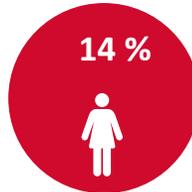
In 2022

Management team



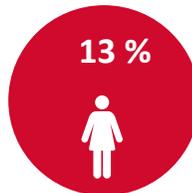
Women represent **28 %** of FMC investment teams

Investment committees



Women represent **14 %** of active members in investment committees

Fund management
companies
board of directors



Women represent **13 %** of the members of the supervisory committee or board of directors of the FMC

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
- 6- EBITDA

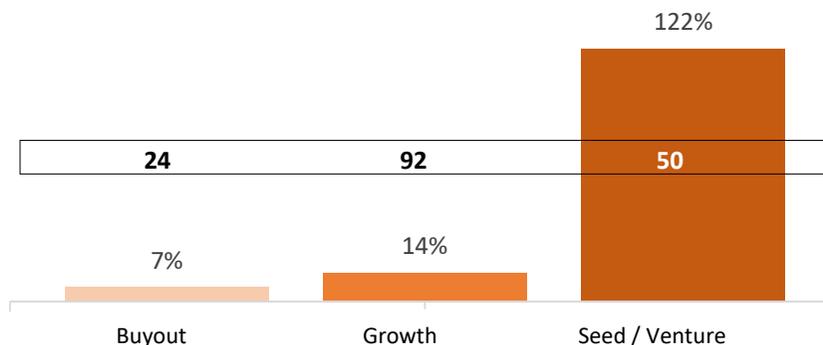
1. Revenue growth between 2000 and 2022 (or exit year)

End of 2022

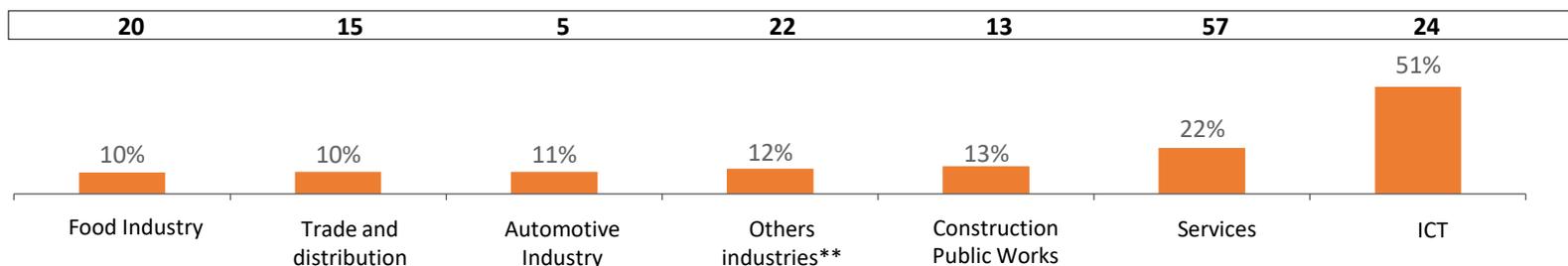
CAGR* of invested companies revenue = **18,4 %**

CAGR by end of 2021 = 18,3 %
 CAGR by end of 2020 = 11,3 %

Revenue, average annual growth rate by the end of 2022 by stage



Revenue average annual growth rate by the end of 2022 by sector



x Number of companies concerned by sector and by stage

*CAGR weighted by the amounts invested, based on data from 138 invested companies

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

1. Revenue and exports growth

In 2022

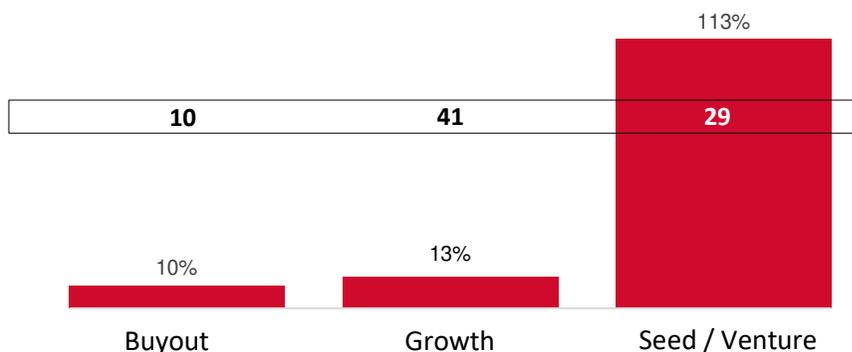
Revenue growth rate * and of GDP in Morocco

Growth of **Revenue in 2022** (Companies invested by the funds) = **18 %**

Growth of **Revenue in 2022** (Listed company)= **14,1 %**

Growth of **GDP in 2022** = **1,3 %**

Revenue growth rate by stage



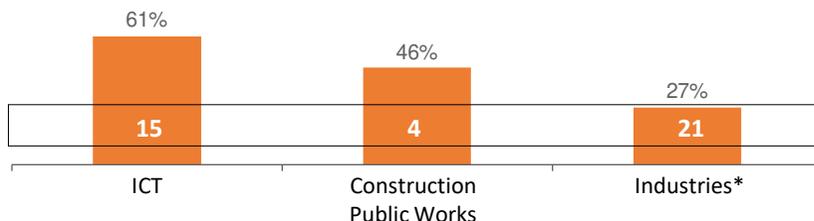
Focus : Exports in 3 figures

36 % Share of exporting companies among companies invested by funds

39 % Average share of export revenue in 2022 among exporting companies

32 % Average share of export revenue in 2021 among exporting companies

Best performing sectors based on revenue growth



The sectors invested by the funds - having experienced the strongest growth in their revenue-in 2022 are **ICT(61 %)**, **Construction Public Works (46 %)** and **Industrial sector (27 %)**. The growth rate recorded by all sectors invested by the funds in 2022 is **18 %**.

x Number of companies concerned by sector and by stage

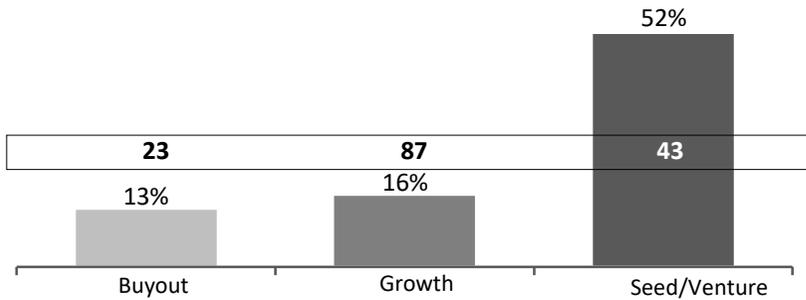
* Industries : agroalimentaire, automobile, chimie, emballage, biotechnologie, métallurgie et autres

2- Team growth and Parity between women and men

End of 2022

CAGR of the teams of invested companies = **18%**  CAGR end of 2021 = 16 %
CAGR end of 2020 = 12 %

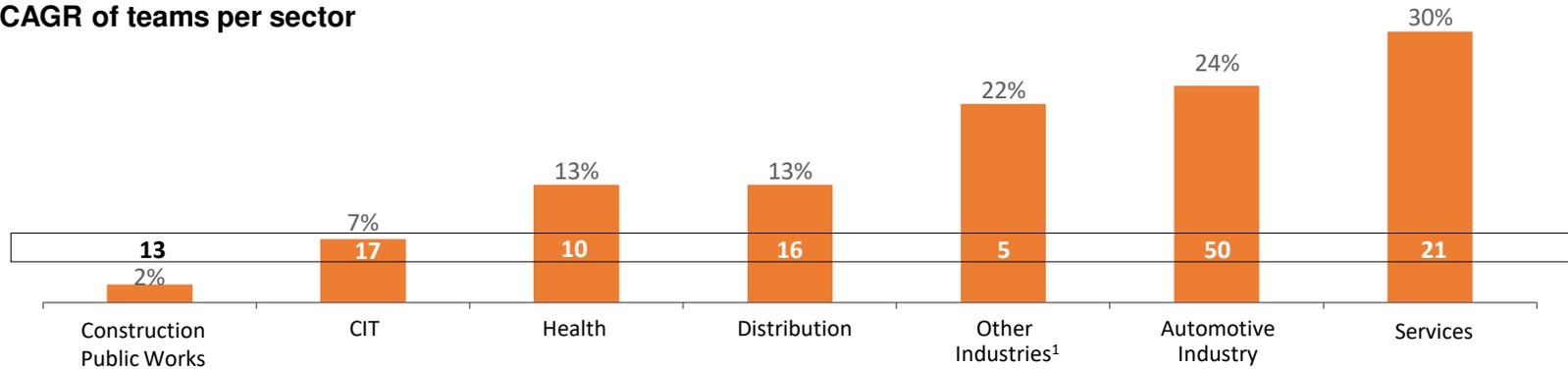
CAGR of teams by stage



Focus :
Share of women in the invested companies teams



CAGR of teams per sector



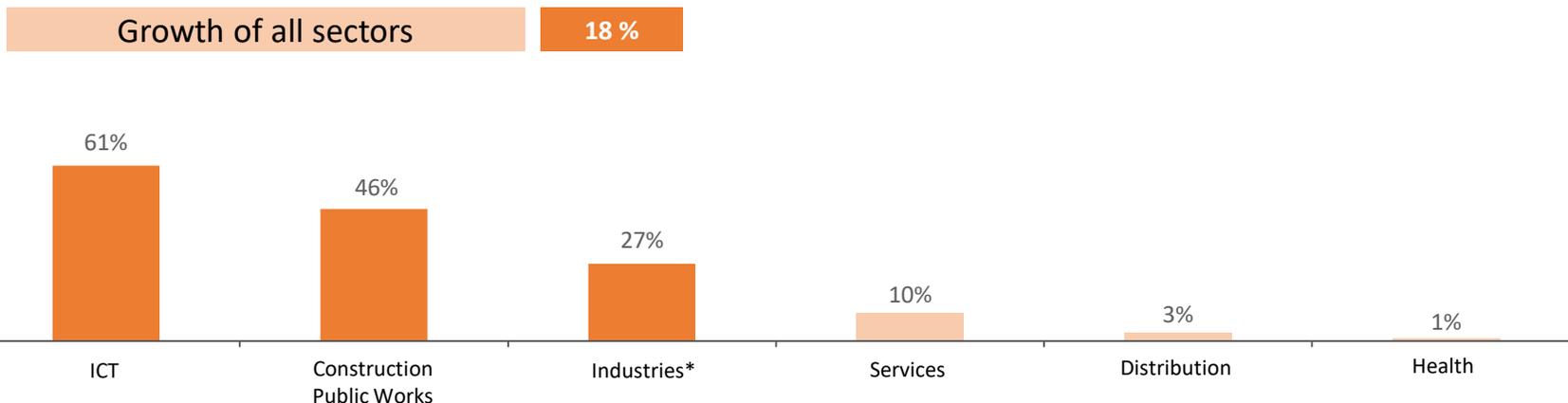
x Number of companies concerned by sector and by stage

¹ Other industries : packaging, biotechnology, metallurgy, pharmaceuticals and others

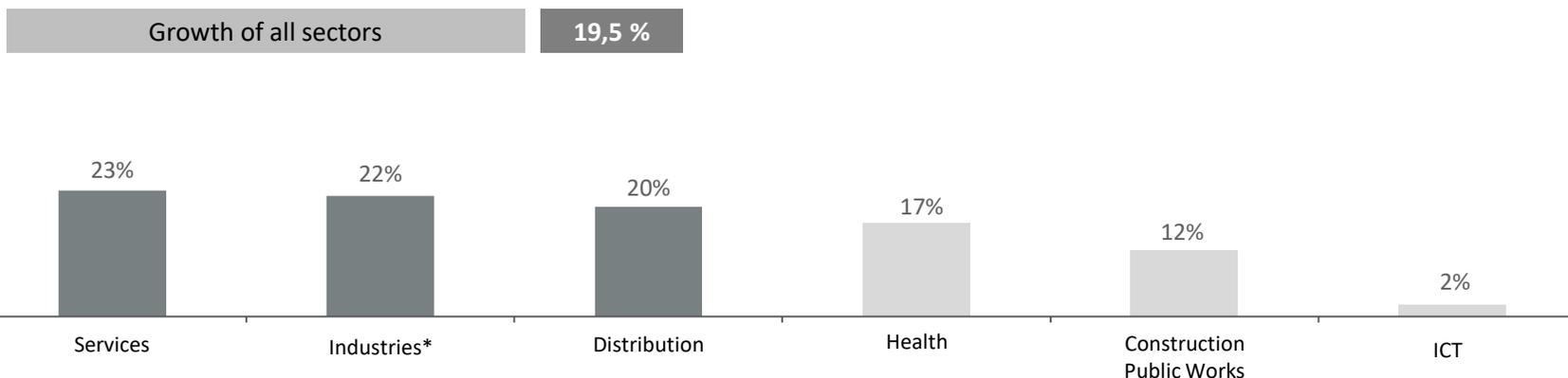
02

Focus 2022 Impact on revenue and teams by sector

Evolution of revenue by sector



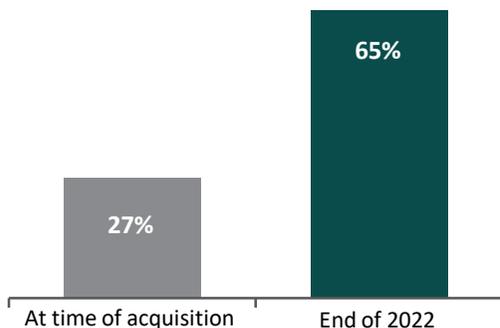
Evolution of teams by sector



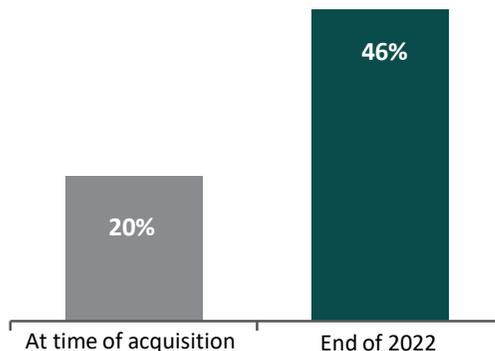
* Industries: agribusiness, automotive, chemicals, packaging, biotechnology, metallurgy, pharmaceuticals and others

3. Corporate social responsibility (CSR)

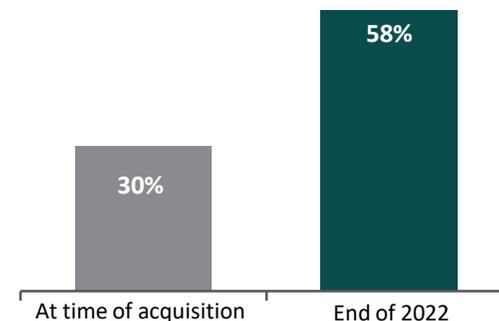
Annual training plan



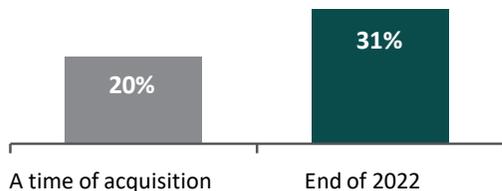
Strategic workforce planning



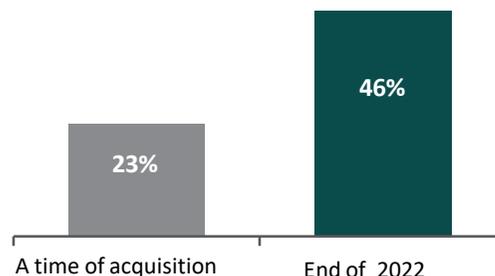
Code of ethics



Actions engaging the company in social activities



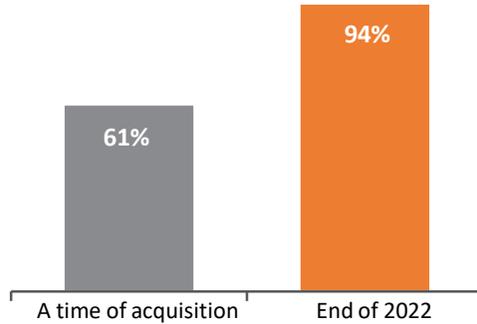
Actions for environmental protection



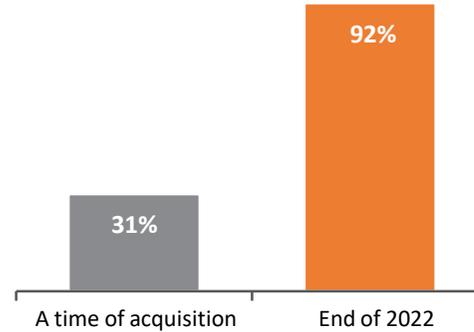
Invested companies show a **significant improvement** in their **CSR indicators** between the date of the equity investment and the date of cession (or at the end of 2022 for companies still invested by the funds).

4. Corporate governance

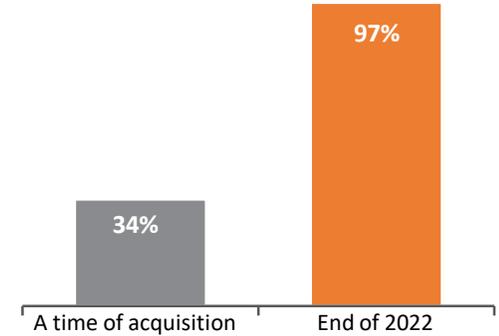
Company audit



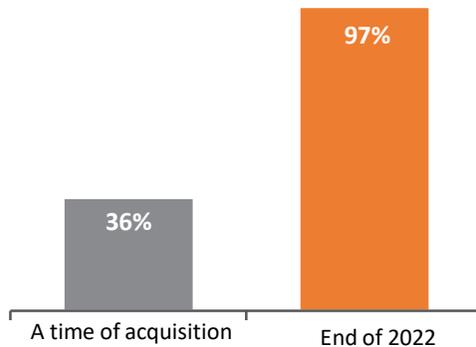
Oversight and steering committees



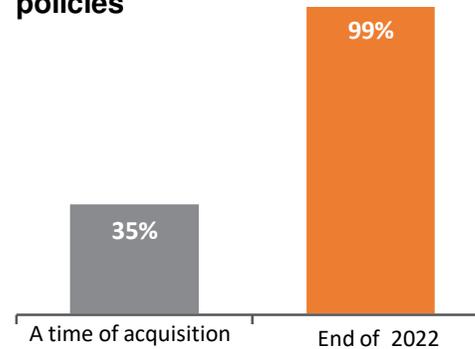
Reporting tools



Performance indicators and scoreboards



Budgeting and budget monitoring policies

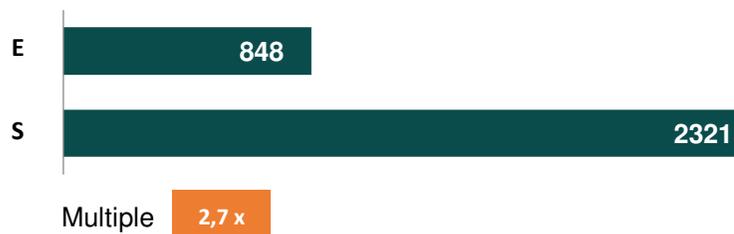


Almost all of the companies invested ultimately meet the requirements of investment funds in terms of improving governance and setting up communication and financial transparency tools.

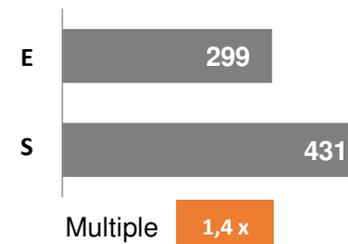
5. Tax contribution

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

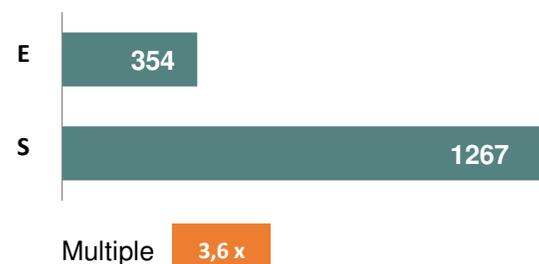
Corporate tax



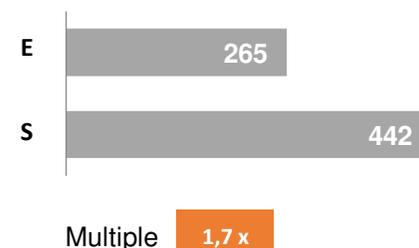
Income tax



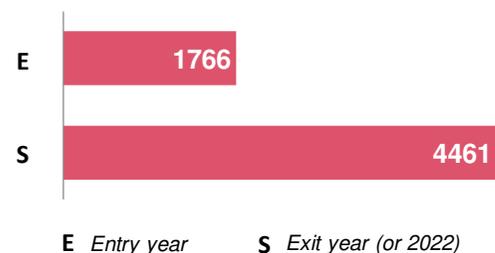
Value-added tax (VAT)



Other taxes



Total Taxes (IS-IR-VAT-Other taxes)



Invested companies have a **higher tax contribution between the entry and exit years of the fund**(or 2022 for companies still invested). Out of nearly 170 SMEs supported

between 2000 et 2022, the sector's tax contribution increased by more than **2,7 milliards** billion dirhams for an average holding period of 6 years , In 2022, the total amount of taxes collected from invested companies recorded an increase of more than 300 million dirhams compared to 2021 data.

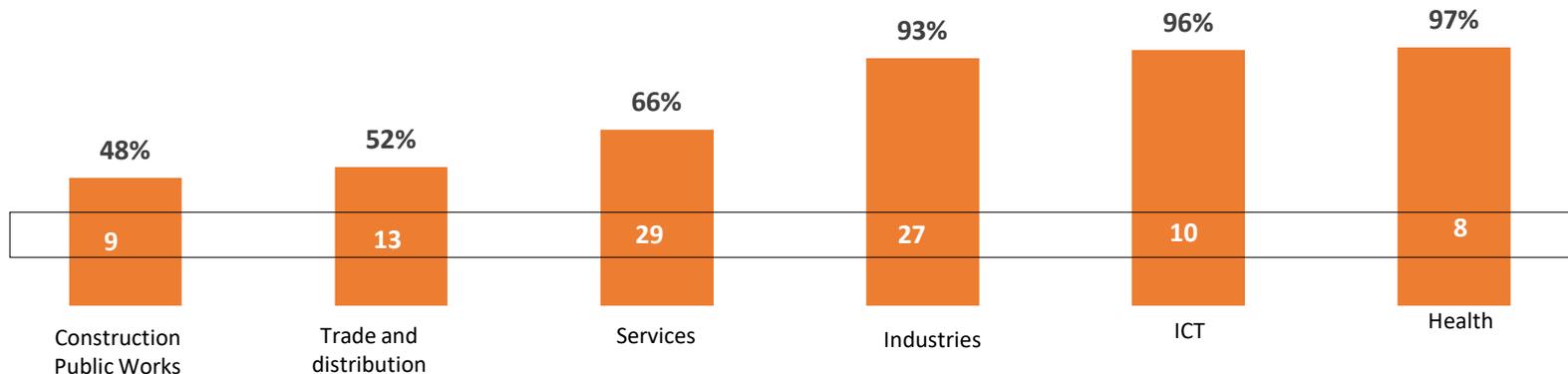
6. EBITDA (Earnings before interest, taxes, depreciation and amortization)

Evolution of EBITDA* (in MDH)



Multiple **2,1 x** E Year of entry S Release year (or 2022)

Evolution of EBITDA growth between the year of entry and the year of exit (or 2022) by sector



X Number of companies concerned by sector

* Scope: 96 responding companies



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 concerned:**
- **Analysis Turnover: Cumulative (166) – In 2022 (81)**
 - **Analysis of workforce: Cumulative (153) – In 2022 (75)**

Methodology



Data collection was carried out by a survey conducted among **23 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 revenue and teams CAGR were weighted by the amounts invested.**

Our services: Audit & Statutory Audit Business Advisory: Studies Strategy Organization



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.** AMIC's main mission is to **strengthen the Private Equity industry's competitiveness in Morocco** and abroad via:

- **Effective and clear communication** about the Private Equity industry
- **Executing reliable reports and surveys on the state of Private Equity in Morocco**
- **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
- **Providing support services to members on regulatory issues** related to the profession
- Development of a **quality training program** touching on all industry fundamental skills.

Website: www.amic.org.ma

Fidaroc Grant Thornton is a leading audit and consultancy firm in Morocco, and member of the Grant Thornton International, a global leader in consulting and auditing (68 000 employees, 147 countries).

In Morocco, the firm has 200 employees who continue an activity initiated in 1931 in Casablanca and offer a unique approach combining global know-how with adapted local support.

Our services:

- **Audit & Statutory**
- **Audit Business Advisory:**
 - Studies
 - Strategy
 - Organization
 - PMO
 - Risk services
- **Outsourcing: accounting expertise, pay**
- **Transaction support**
- **Tax & Legal**

Website: www.grantthornton.ma