

Impact Report

PRIVATE EQUITY IN MOROCCO

Year 2023

Active members



01

Fund Management company

1. Corporate Social Responsibility (CSR) and Governance
2. Gender Parity (men - women)

02

Invested companies

1. Revenue and exports growth
2. Workforce growth and gender parity
3. Corporate Social Responsibility
4. Corporate governance
5. Tax contribution
6. EBITDA

03

Annex

Scope and methodology

Fund Management companies

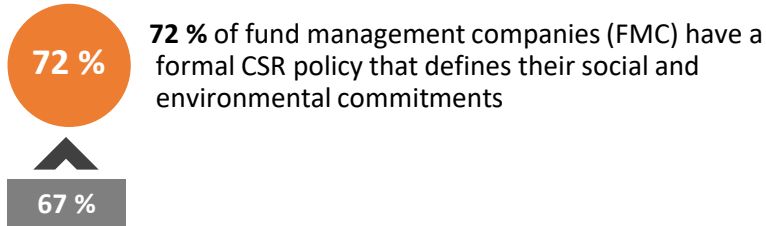
1. CSR and Governance
2. Gender parity (men- women)

01

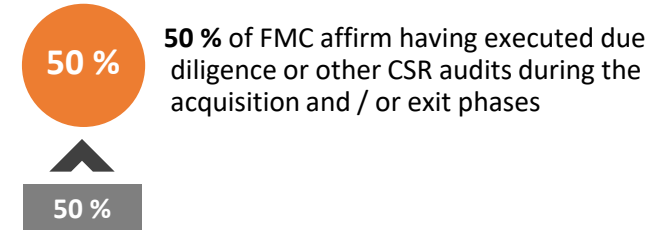
Fund Management companies

1. CSR and Governance

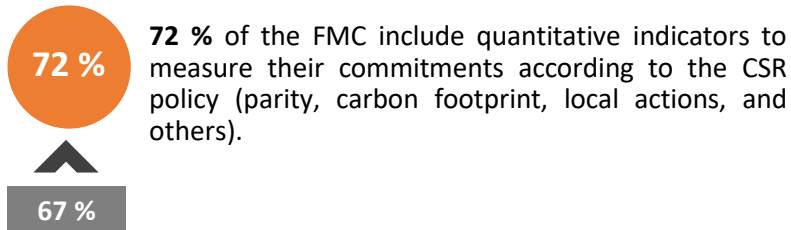
Formalisation - CSR policy



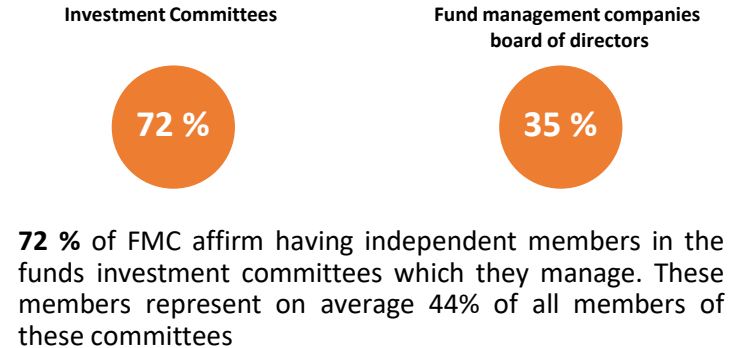
Execution – CSR Due diligence



Monitoring – CSR indicators



Presence - Independent members



x 2023 figures

x 2022 figures

01

Fund Management
companies

2. Gender parity (men - women)

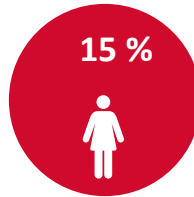
In 2023

Management team



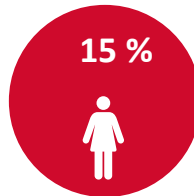
Women represent **37 %** of investment teams of the management companies

Investment committees



Women represent **15 %** of active members in investment committees of the funds.

Fund management
Companies board of directors



Women represent **15 %** of the members of the supervisory boards or board of directors of the management companies

Invested companies

1. Revenue and exports growth
2. Workforce growth and gender parity
3. Corporate social responsibility
4. Corporate governance
5. Tax contribution
6. EBITDA

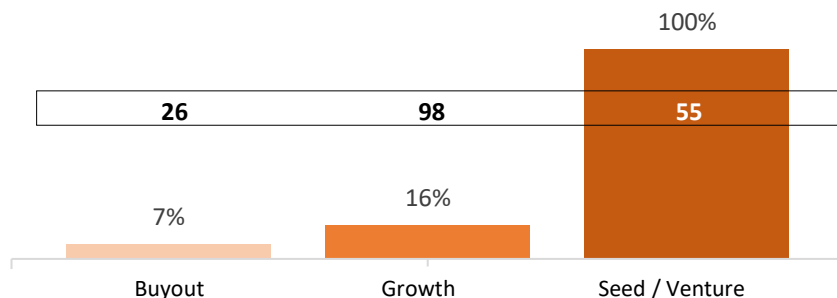
1. Revenue growth between 2000 and 2023 (or exit year)

End of 2023

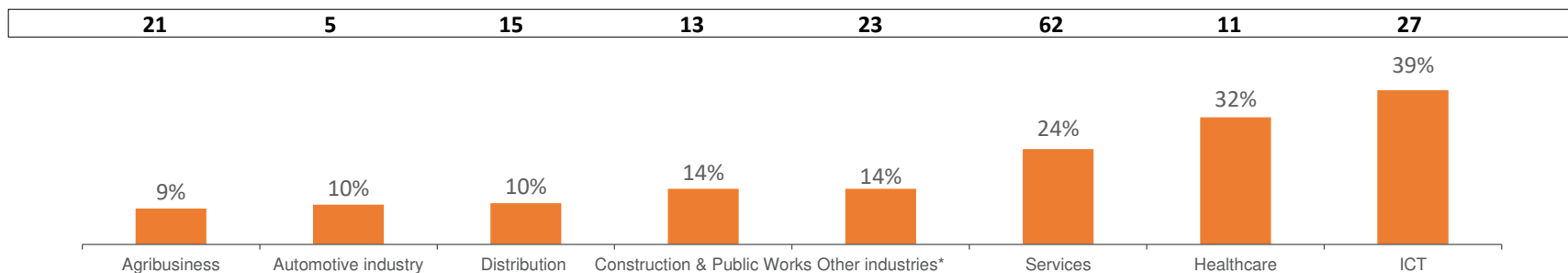
CAGR of invested companies revenue = **18.8 %**

CAGR by end of 2022 = 18.4 %
 CAGR by end of 2021 = 18.3 %

Revenue, average annual growth rate by the end of 2023 by stage



Revenue average annual growth rate by the end of 2023 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 2023

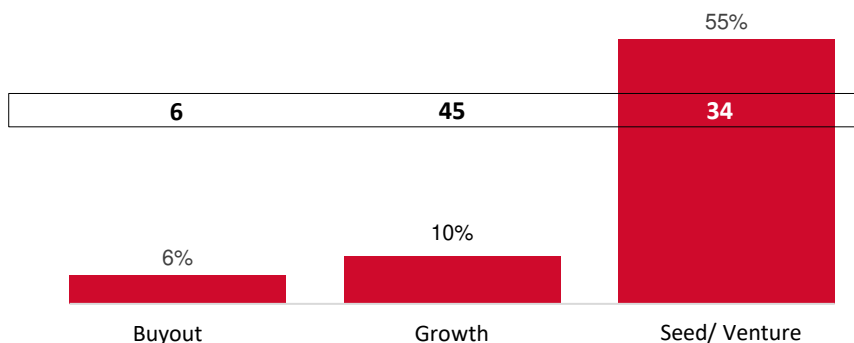
Revenue growth rate and of GDP in Morocco

Growth of **Revenue in 2023** (Companies invested by the funds) = **22.3 %**

Growth of **Revenue in 2023** (Listed Entreprises) = **4.4 %**

Growth of **GDP in 2023** = **3.4 %**

Revenue growth rate by stage



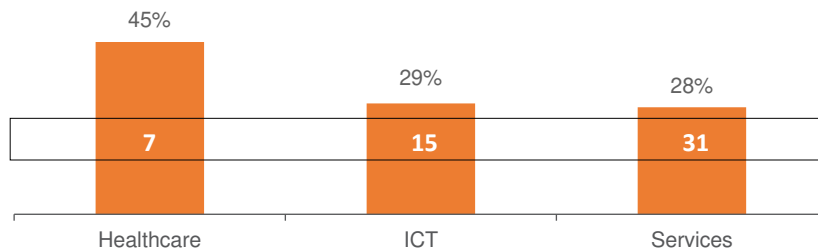
Focus : Exports in 3 figures

35 % Share of exporting companies among companies invested by funds

44 % Average share of export revenue in 2023 among exporting companies

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

Best performing sectors based on revenue growth



The sectors invested by the funds –those having experienced the strongest growth in their revenue-in 2023 are **Healthcare** (45 %), **ICT** (29 %) and **Services** (28 %). The growth rate recorded by all sectors invested by the funds in 2022 is **22 %**.

x Number of companies concerned by sector and by stage

02

Invested companies

2. Workforce growth and gender parity

End of 2023

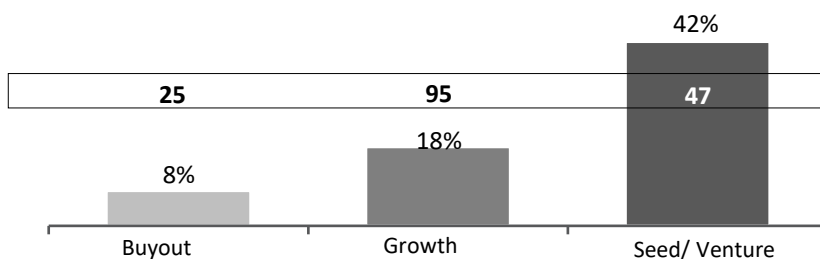
CAGR of the teams of invested companies = 18 %



CAGR end of 2022 = 18 %

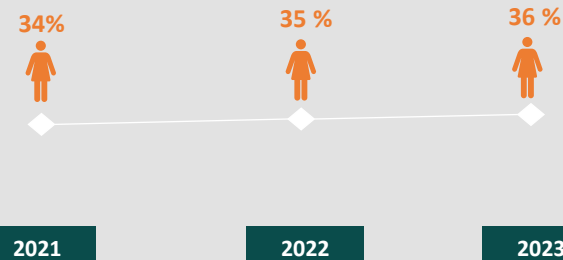
CAGR end of 2021 = 16 %

CAGR of workforce by stage

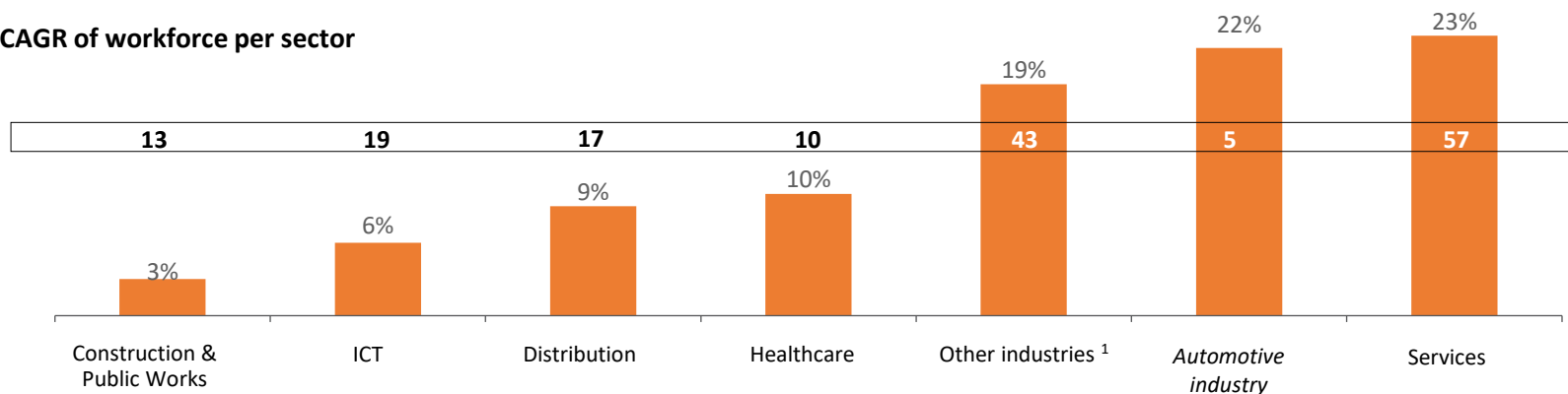


Focus :

Share of women in the invested companies teams



CAGR of workforce per sector

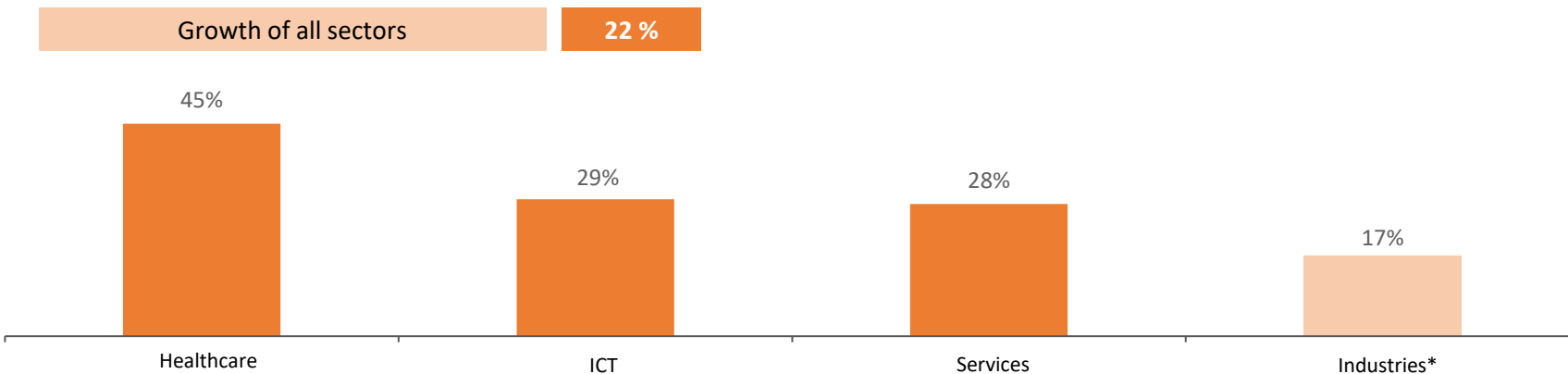


X Number of companies concerned by sector and by stage

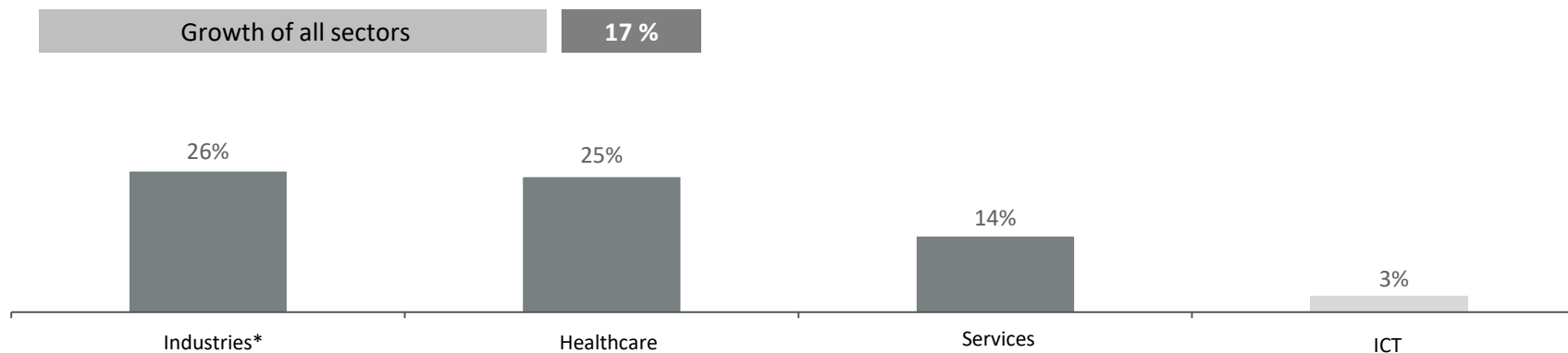
¹ Other industries :packaging, biotechnology, agribusiness, metallurgy, chemicals and others

Focus 2023 Impact on revenue and workforce by sector

Revenue growth in 2023 – Services, Industries, Healthcare and ICT



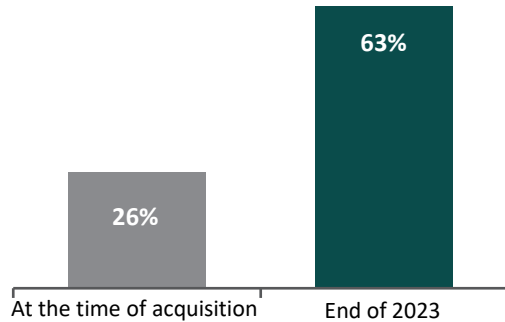
Workforce growth in 2023 – Services, Industries, Healthcare, and ICT



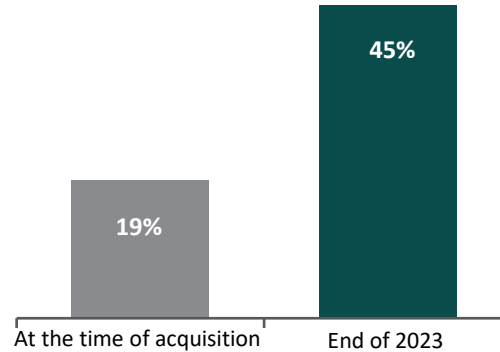
* Industries: agribusiness, automotive, chemicals, packaging, biotechnology, metallurgy and others

3. Corporate social responsibility (CSR)

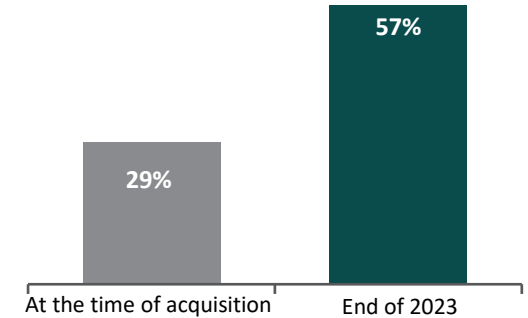
Annual training plan



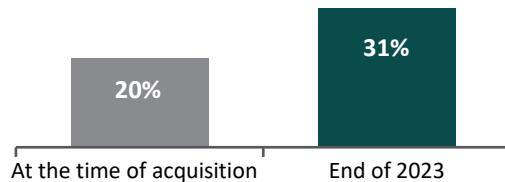
Workforce planning and skills management



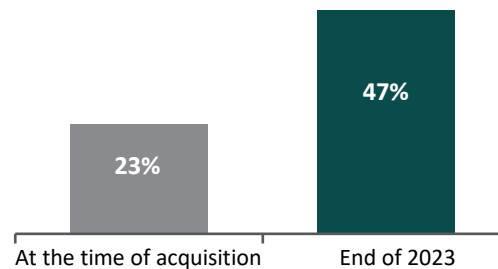
Code of ethics



Actions engaging the company in social activities



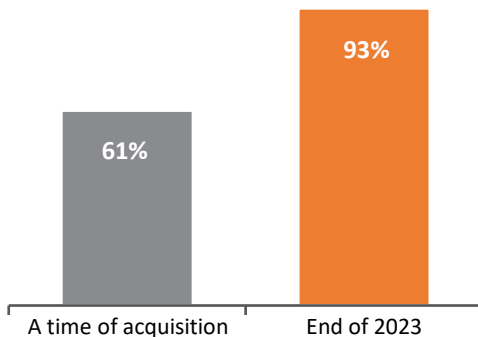
Actions for environmental protection



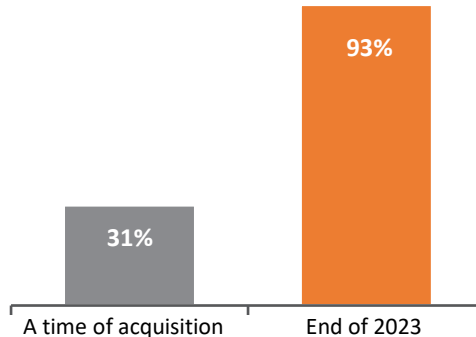
The invested companies show a **significant improvement** in their **CSR indicators** between the date of acquisition and the date of divestment (or by the end of 2023 for companies still held by the funds).

4. Corporate governance

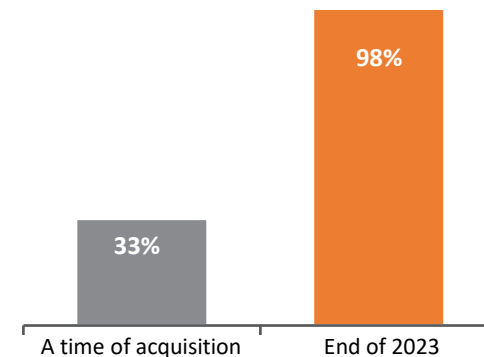
Company audit



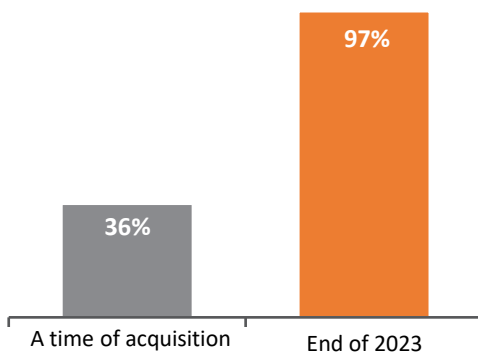
Oversight and steering committees



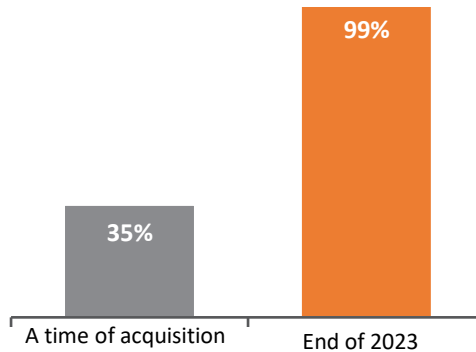
Reporting tools



Performance indicators and dashboards



Budget definition and monitoring policy



Almost all of the invested companies ultimately meet the **investment funds' requirements** regarding governance improvements and the implementation of **communication and financial transparency tools**.

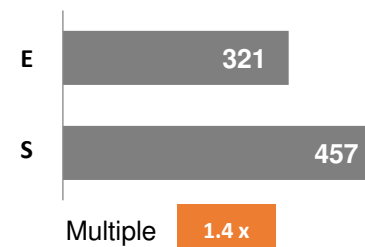
5. Tax contribution

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

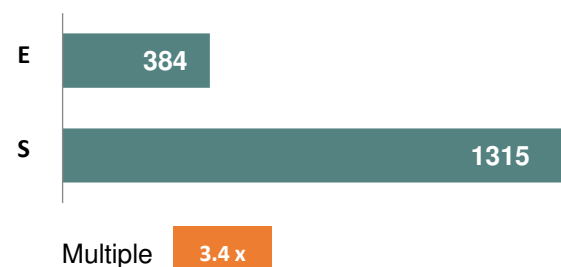
Corporate tax



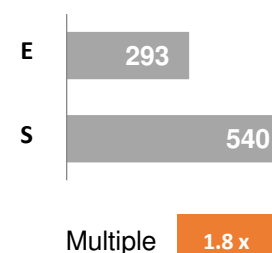
Income tax



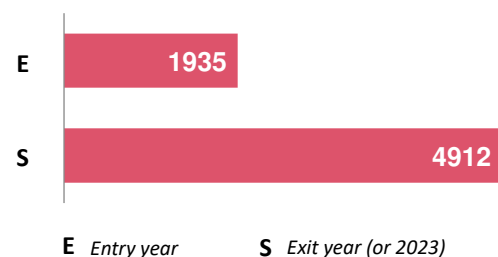
Value-added tax (VAT)



Other taxes



Total Taxes (Corporate Tax – Income Tax – VAT – Other taxes)



The invested companies show a **significant increase in their fiscal contribution between the year of entry and the year of exit from the fund** (or 2023 for companies still invested). Of the nearly 180 SMEs supported between 2000 and 2023, the sector's tax contribution increased by nearly 3 billion dirhams, with an average holding period of 6 years. In 2023, the total amount of taxes collected from the invested companies rose by 450 million dirhams compared to the data from 2022.

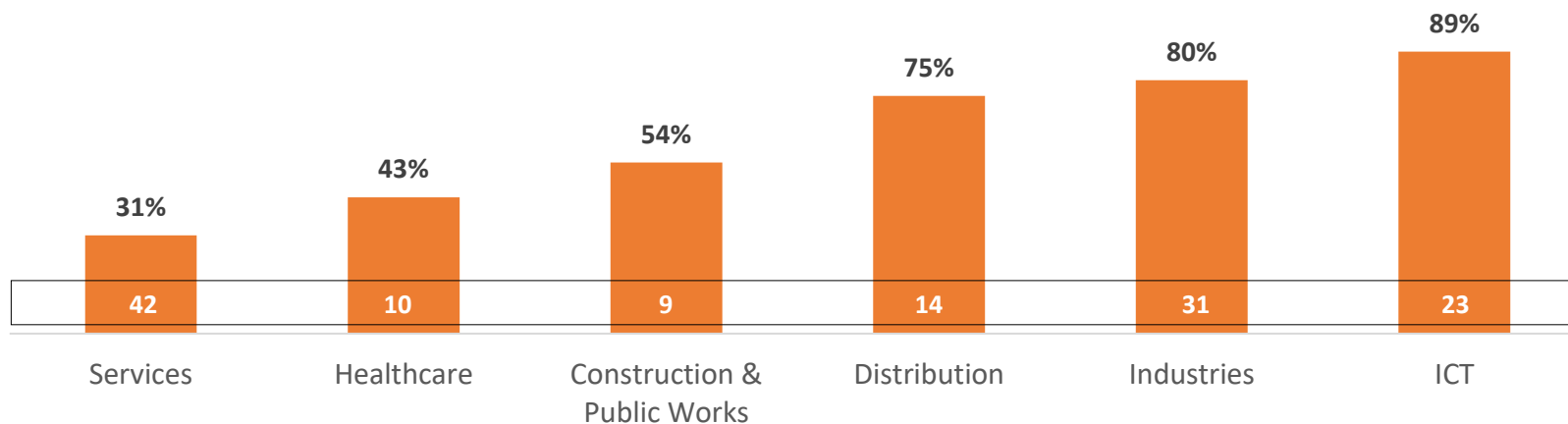
6. EBITDA (Earnings before interest, taxes, depreciation and amortization)

Evolution of EBITDA* (in Mln MAD)



Multiple **2.3 x** E Entry year S Exit year (or 2023)

Evolution of EBITDA growth between the year of entry and the year of exit (or 2023) 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 **fund management companies** which are 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 **(182)** – In 2023 **(82)**
 - Analysis of workforce: Cumulative **(167)** – In 2023 **(72)**

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 CAGR of revenue and workforce were weighted by the amounts invested.

Founded in 2000, AMIC's purpose is to bring together, represent, and promote the private equity profession among institutional investors, entrepreneurs, and government authorities.

AMIC's main mission is to enhance the competitiveness of the private equity industry in Morocco and internationally by:

- Ensuring effective and educational communication about the private equity industry.
- Conducting reliable studies and surveys on private equity activity in Morocco.
- Actively participating in discussions regarding any regulatory texts pertaining to the sector's activity.
- Establishing a charter that governs the private equity activity, ensuring adherence to ethical standards.
- Providing support services to members regarding regulatory aspects of the profession.
- Developing a high-quality training program covering all aspects of the private equity investor profession.

Website: www.amic.org.ma

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