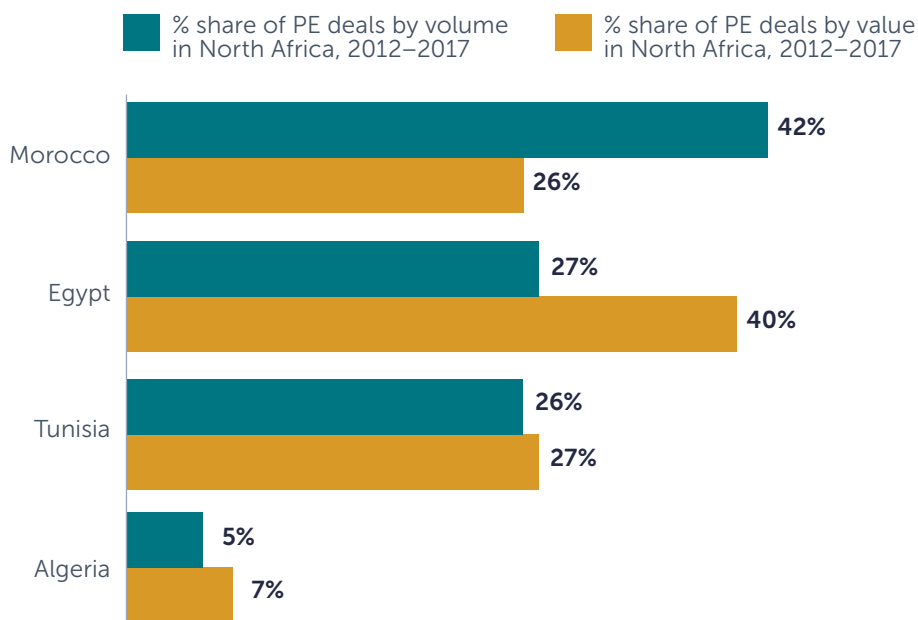


# COUNTRY SNAPSHOT: MOROCCO

## Share of volume and value of PE deals in North Africa, by country, 2012–2017



## MOROCCO KEY FINDINGS: 2012-2017

56

Number of reported PE deals

US \$912mn

Value of reported PE deals

US \$5mn

Median deal size

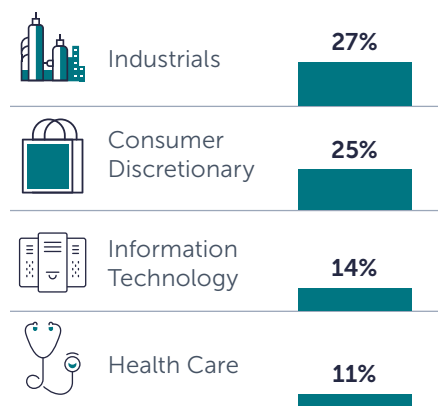
## Private Equity Growth Drivers

### Economic growth, far-reaching reforms and sustainable development

Morocco's attractiveness as a private equity (PE) market rests on its strong economic performance, its implementation of far-reaching reforms and its rising stature as an industrial hub. The World Bank estimated Morocco's real GDP growth to be 4.1% for 2017, helped by increased value added from agriculture. Morocco has also sought to undergird foreign investment and the attractiveness of its exports by liberalising its currency; in 2018, it loosened the fluctuation band in which the dirham trades against hard currencies. Regarding reform, Morocco has made heavy investments in its road and rail infrastructure, including the ongoing development of Africa's first high-speed train, which will initially run between Tangier and Kenitra. A World Bank loan of EUR172mn to the Municipality of Casablanca in 2017 should also assist urban regeneration objectives.

Concerted efforts have also been made to promote sustainable development. The Green Morocco Plan, launched by the government in 2008 and supported by the African Development Bank, is focused on raising agricultural productivity by subsidising agricultural modernisation. Meanwhile, Morocco has emerged as a global leader in renewable energy. In 2016, Morocco switched on the first phase of the world's largest concentrated solar power plant, Noor 1, which will provide electricity for over 1 million people and reduce carbon emissions by 760,000 tons annually when completed. Also in 2016, Banque Centrale Populaire launched a EUR100mn green bond in Marrakesh to refinance its investments in renewable energy projects in Morocco. Overall, the proportion of electricity sourced from renewable sources has risen from 1.7% in 2009, to 32% in 2012, and is projected to be 42% by 2020, and 52% by 2030<sup>1</sup>.

### Sectors attracting private equity investment in Morocco, by percentage share of PE deals, 2012-2017



According to the World Bank "Doing Business" 2018 report, Morocco maintained its leading position in North Africa and its third position in Africa for the ease of doing business. It also rose to third place from fifth in the MENA region.

<sup>1</sup> Financial Times. 2017. Morocco capitalises on early lead in renewables. <https://www.ft.com/content/8960096a-1ae0-11e7-a266-12672483791a>

## Private Equity Funds

The establishment of the Africa50 Fund, the African Development Bank's delivery vehicle focused on financing infrastructure projects across Africa, in Casablanca in 2014 is a sign of the depth of Morocco's investment ecosystem. Some PE firms that invest within North Africa, such as AfricInvest, CDG Capital Private Equity and Mediterrania Capital Partners, have their headquarters or regional offices in the country.

### Selection of PE firms fundraising with a geographic focus that includes Morocco

Fund Manager	Fund Name	Reported Fund Target / Hard Cap (mn)	Regional Focus
AfricInvest	Maghreb Private Equity Fund IV	EUR275	North Africa
Amethis	Amethis Fund II	EUR300	Pan-African
Emerging Capital Partners	ECP Africa Fund IV	US\$600	Pan-African
Mediterrania Capital Partners	Mediterrania Capital III	EUR250	North Africa & Francophone Sub-Saharan Africa
MPC Capital	MPC Industrial Opportunities Fund I	US\$500	Pan-African

## Private Equity Deals

PE investors are particularly interested in Morocco's growing consumer sector, its ongoing investments in infrastructure and its rising stature as an industrial hub. Some recent PE deals reported in Morocco are listed right.

### Selection of PE deals in Morocco, 2016-2018

Portfolio Company	Sector	PE Investor(s)	Year
Groupe Premium	Industrials	Amethis	2018
Grupo San Jose & Lopez	Industrials	Investec Asset Management	2017
MedTech Group	Information Technology	Mediterrania Capital Partners	2016
Mundiapolis University	Consumer Discretionary	Actis	2016
Outsourcia	Industrials	AfricInvest	2016
T2S	Health Care	CDG Capital Private Equity	2016

## Private Equity Exits

Morocco has a well-developed and vibrant exit ecosystem. Some recent exits are listed in the table on the right.

### Selection of PE exits in Morocco, 2016-2017

Portfolio Company	Sector	Exiting PE Investor(s)	Exit Route
Grupo San Jose & Lopez	Industrials	AfricInvest, Mediterrania Capital Partners	PE
Intelcia	Industrials	CDG Capital Private Equity	Trade
Jet Contractors	Industrials	CDG Capital Private Equity	Stock sale
S2M	Financials	AfricInvest	Trade

### Job growth in PE-backed portfolio companies in Morocco

19%

from 2009 to 2016 based on PE firms that participated in AVCA's Africa Sustainability Study: ESG, Job Creation and Job Quality, April 2017

LPs rated Morocco as one of the top countries for PE investment in Africa in AVCA's 2017 Annual Limited Partner Survey, and 7th most attractive in Africa overall, up from 10th place in the previous year.

 African Private Equity and Venture Capital Association

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## Championing Private Investment in Africa

The African Private Equity and Venture Capital Association is the pan-African industry body which promotes and enables private investment in Africa.

AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.

With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.