

Moroccan Investment Development Agency

Investment projects bank

Project Teaser

Food Can Manufacturing Plants in Morocco



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Overview

In order to ensure an effective promotion of investments in Morocco initiated by both local and foreign institutions, Invest in Morocco (the Moroccan Investment Promotion Agency) has created a projects/opportunities bank to facilitate the contacts between projects sponsors and their future partners.

Projects teasers will be also made available via Invest In Morocco's website and will help the prospective partners to get a global overview of the investment opportunity while ensuring the confidentiality required by the sponsor at initial stages.

If the prospective partner decides to go further in the opportunity analysis, he can ask Invest In Morocco to arrange him a meeting with the project sponsor.

In order to maximize the added value of the projects bank, the matchmaking process is not limited to strategic and financial partnerships but covers virtually all possible opportunities like commercial agreements, mergers & acquisitions, joint ventures, representation agreements...

We hope that this projects bank will help investors to develop strong relationships and enhance the value creation in all economic sectors.

Project presentation

| Summarized data | |
|-------------------------------------------------------------------------|--------------------------------------------------------------|
| Opportunity/Project | Construction of two food can factories |
| Industry/sector | Industry |
| Project size (in Million MAD) | 638 Million MAD (about 75 Million USD) |
| Project components | Two factories dedicated to aluminum and steel can production |
| Opportunity localization (city/region) | Kenitra and Agadir |
| Project Target Return (IRR or ROI) | 37% |
| Current project status (study/appraisal phase, initiation, operational) | Initiation phase |

Key project facts (perspectives, sector outlook...) :

- To enhance its competitiveness and exports, Morocco has adopted and initiated some ambitious strategic plans covering the food processing industries and related activities. In fact, the country is an important producer of several agriculture and fishing products like tomatoes, oranges, olives and many of these products are transformed into processed goods. Nevertheless, the growing industry is lacking an adequate local can industry, which pushes food processing companies to satisfy their needs via costly imports ;
- Having carried out a market study which concluded the great Moroccan demand potential, the project sponsor has decided to set up two plants in the main food processing regions. These plants will be located in new generation industrial zones and will adopt the latest technologies and production techniques to offer high quality and cost competitive can solutions. Production is expected to start in 2014.

Project initiator/sponsor

| | Summarized data |
|----------------------------------------------|-----------------|
| Main businesses/activities | Industry |
| Institution type (company, fund, holding...) | Group |
| Size (average revenues in MAD) | |
| Origin of capital (Moroccan, Foreign, Mixed) | Foreign (USA) |

Key project sponsor facts (performances, positioning, expertise...) :

- The sponsor is an American industrial group offering can and packaging solutions and products to food processing companies. It has developed a well renowned and recognized expertise through its steady investments in innovative solutions and the strong partnerships it has built with major food groups ;
- The sponsor's business model is based on high R&D content integration and close commercial agreements with key clients and suppliers. The sponsor secures commercial contracts covering many years of production and designs and builds production facilities ;
- In addition to its technical expertise and strong commercial network, the project sponsor has developed financial partnerships with many financial institutions to secure timely and cost effective financing (mainly equity) and to optimize its financial structure.

Seeked partnership

| | Summarized data |
|-----------------------------------------------|----------------------------------------------------------------------------------------|
| Possible or sought partnership(s) | X Joint Venture |
| | X Sleeping Partner (minor share ownership without active management role) |
| | Joint SPV controlled by the external partner |
| | Shares acquisition |
| | Company acquisition or diversiture |
| Special conditions for the partnership | X Others: |
| | • Qualified institutional investors |
| | • Financial partnership with a controlling stake remaining at the hands of the sponsor |
| Next steps | • Equity or debt instruments |
| | • Discussion partnership conditions (governance and shareholder's agreement) |
| | • Finalizing contracts |

Expected partnership benefits:

- The projects will be completed in 2014 and will allow Morocco to get one of some modern and efficient can production facilities. Output will be mainly dedicated to the growing local market in addition to exports to North America ;
- The future partner will benefit from a guaranteed revenue given the multiyear commercial contracts in addition to the advantageous agreements set with suppliers to ensure inputs with less exposure to international raw materials prices volatility. These advantages, in addition to the excellent market perspectives, will represent a valuable advantage towards securing return on investment target.

**For next steps or more details about the current document,
please contact the Matchmaking Manager:**

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