

DPI-backed Dolidol acquires Nigeria's Mouka to create Pan-African bedding and mattress leader

- US\$60m transaction creates market leading player in Africa in the bedding and mattress industry, possessing world class manufacturing capabilities
- Accelerates Dolidol's regional expansion plan with a well-established route to market in Nigeria
- Significant synergies to be unlocked such as cost synergies from scale effects and revenue synergies leveraging Dolidol's knowhow and track record in new product development

London, 1 December 2021 – Development Partners International (DPI), a premier investment firm focused on Africa with \$2.8bn assets under management, including co-investments, is pleased to announce the signing of Dolidol's acquisition of Mouka, creating a regional champion and leader in the African bedding and mattress industry.

Dolidol is a market leading operator in Francophone Africa involved in the manufacturing and distribution of bedding and mattress products, with operations in five countries including Morocco and the Ivory Coast. Established in 1972, the company is one of the oldest mattress manufacturers in Morocco and has evolved to become a household name, well known for high-quality products and excellent customer service.

Founded in 1974, Mouka is an established manufacturer of polyurethane foam products and mattresses in Nigeria, with strong brand recognition and best-in-class manufacturing capabilities with three factories strategically located in the country. The business is led by a highly experienced management team, headed by current CEO Ray Murphy, who has helped drive the growth of the company in Nigeria since joining in 2015.

The transaction brings together two businesses with highly complementary capabilities. With an addressable Nigerian market of approximately 200 million people, the opportunity for growth is significant. Combining Dolidol's track record in new product development with Mouka's route to market, the deal creates the leading player in mattress and bedding space, well positioned to deliver long-term sustainable growth across Africa.

Since its investment in Dolidol in 2018, DPI has helped the business consolidate its market-leading position in Morocco, while working closely with management to support the company's regional expansion strategy, including its development into Ivory Coast, where it has become the number one player in the market. DPI remains committed to the business, playing an instrumental role in this latest acquisition, helping to source and execute the transaction, in addition to providing additional financing for the deal, reinforcing its belief in the business.

DPI, who has just closed one of the largest Africa-focused funds at US\$900m, invests in established, growing companies across the continent, helping local champions like Dolidol become regional and pan-African ones. This acquisition demonstrates DPI's broader strategy, and the firm will continue to work closely with Dolidol's management team to drive the company's ambitious expansion strategy and help develop the business into a leading manufacturer and distributor across the continent.

Sofiane Lahmar, DPI Partner, said, *"As the most populous country in Africa, Nigeria shares many of the same trends as the continent, including positive demographics, a fast-growing middle class and rising consumer spending. Dolidol's acquisition of Mouka presents an exciting opportunity for growth, creating a greatly expanded addressable market, and enables the business to accelerate its growth in West Africa, while continuing to expand its footprint across the continent. We remain confident in the future of the business and look forward to working with both management teams to execute the company's ambitious strategy and vision ."*

Saad Berrada, Chairman of Dolidol, stated, *"Today's announcement represents an important milestone for our company and creates a regional champion in North and West Africa well placed to serve the fast growing African market. We are looking forward to partnering with Ray Murphy and his management team as we focus on achieving our expansion strategy across the continent."*

Dolidol and DPI have been advised by West Capital Partners, Deloitte, Norton Rose Fulbright and Jackson, Etti & Edu.

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Notes to Editors

About DPI

DPI is a premier investment firm focused on Africa, that has successfully advised funds through “up” and “down” cycles. Its first two funds, African Development Partners I and II (ADP I and ADP II), are ranked in the top quartile for performance by Cambridge Associates.

DPI has US\$2.8bn in assets under management across its three funds and committed co-investments.

The ADP funds’ strategy is to build a diversified pan-African portfolio of private equity investments in established and growing companies benefiting from the continent’s fast-growing middle class, innovation, and digital transformation.

Since DPI’s founding in 2007, its funds have invested in 23 portfolio companies across 29 African countries and 17 industries. ADP portfolio companies employ over 49,000 people. During DPI’s investment, 18,000 jobs have been created.

In 2020, ADP III became the first 2X Flagship Fund, as part of the global [2X Challenge](#), committing to integrate a gender lens into its investment process, and reflecting DPI’s long-standing commitment to gender equity. DPI has a female co-founder and CEO, one-third of the partners are women, and 50% of the firm are women.

As a signatory to the UN Principles for Responsible Investment (PRI) and the Operating Principles for Impact Management, DPI promotes high ESG and Impact standards and seeks to contribute to the UN Sustainable Development Goals. This includes the development of an innovative Impact and ESG Management System focusing on the following key impact themes:

Job Quality: SDG 8

Climate Change: SDG 13

Gender Balance: SDG 5

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About Dolidol

Established in 1972, Dolidol is one of the oldest mattress manufacturers in Morocco and a leading player in the industry. The Dolidol household brand name is one of the most recognized and widely used foam and bedding

brands throughout Morocco, perceived as being higher end with better quality products. Dolidol manufactures and sells polyurethane foam, mattresses, and sofas, as well as non-woven textile. Dolidol has developed a wide distribution network in Morocco with 100 owned stores, 10 distribution facilities and over 1,100 distributors.

The company is a leading operator in the technical foam segment catering to the automotive industry, supplying the largest European automotive manufacturers from its base in Morocco, and has recently launched the construction and operation of a recycling plant to transform used PET plastic bottles into polyester fibers, enhancing its environmental footprint and improving the vertical integration of its foam activity.

About Mouka

Established in 1959, Mouka has established a brand synonymous with quality, wellness, and comfort. Mouka operates 3 production facilities, strategically located across Nigeria to serve key demand segments. Mouka has developed a distribution network comprised of 350 third party distributors (out of which 48% are exclusive) and its products are distributed through over 1,000 outlets.