

## **Impact investment in Madagascar: I&P completes its exit from Ultramaille**

Founded in 1998, Ultramaille is a textile company specializing in knitwear and knitting. Based in Ambatomaro, this company founded by Frédéric Wybo currently employs more than 800 people and exports its production to Europe, the United States and South Africa.

Since 2016, the company has been supported by Investisseurs & Partenaires (I&P), through its I&P Afrique Entrepreneurs 1 fund, the second investment vehicle of the I&P family entirely dedicated to financing and supporting small and medium-sized companies in Sub-Saharan Africa.

### **A partnership with a strong financial, strategic and social impact**

Since 2016, the partnership between I&P and Ultramaille has stood out for **several achievements on both the financial and strategic levels**, including: the diversification of the company's clientele with a move upmarket; the contribution of technology in production thanks to an investment of €800,000 (including €500,000 from I&P); and the development of the "handmade" range, which has enabled Ultramaille to access new markets, particularly in knitted and crocheted accessories (bags, etc...).

From the very first months of the partnership, the company evolved from a SARL to a SA. **A new form of governance was set up** with the creation of a Board of Directors, which brought more rigor and methodology.

The partnership has steadily progressed over time, particularly during the last year, **with the implementation of Lean Management**, made possible in large part thanks to I&P's technical assistance line, as well as the establishment of various Management Committees. The first figures on productivity gains speak for themselves, but will have to be confirmed in the coming months.

The arrival of I&P in the capital of Ultramaille was also **marked by the implementation of strong social impact measures**. Led by Frédéric Wybo, Mialy Ranaivoson (Investment Director, I&P Madagascar) and the entire management committee, **Ultramaille has worked to enable the banking of all employees**, the vast majority of whom are women, for reasons of security, savings management and finally to facilitate their financial integration.

*" Before the banking system was introduced, employees received their pay in cash. The implementation of the banking system was facilitated by the setting up of a temporary agency within the factory, the distribution of bank cards to all employees in record time, and finally the proximity of an ATM. At the same time, consumer, education and real estate loans for Ultramaille's staff were negotiated at much lower rates than those offered*

*by microfinance, our employees' main partner before"* - Mialy Ranaivoson, Investment Director, I&P Madagascar.

Almost half of the employees have also **benefited from internal training**. All employees are **covered by health insurance, with a multiplier effect** as their family members also benefit. Finally, the average salary of Ultramaille's employees has been revised upwards and was in 2018, 57% higher than the national average.

*"Impact investing pays as much attention to economic performance as to social and environmental impacts. And I&P's investments explicitly aim at positive and measurable social returns. With Ultramaille and its Director Frédéric Wybo, we have found a partner who shares our vision and values. We are convinced that the development of Madagascar, and the rest of the African continent, will be achieved through the construction of an efficient and responsible private sector, made up of SMEs rooted in the continent, capable of offering access to essential goods and services to all locally, and concerned with environmental, social and governance issues at all levels of decision-making."* - Mialy Ranaivoson

#### Some key figures and data:

- Number of jobs created and maintained: 700 permanent jobs, more than 250 fixed-term contracts, 72% of jobs held by women;
- Number of sweaters exported: 200,000 to 250,000 pieces per year, 80% of which are exported to Europe (France, Belgium) and 20% to South Africa
- I&P investment: 500,000 euros for a total investment of 1 million euros
- GOTS (Global Organic Textile Standard) certification

#### A successful exit in a particularly difficult Covid context

In 2020, one year before I&P's planned exit, **the Covid-19 pandemic hit Ultramaille hard**. The company lost 38% of its turnover, orders were refused, cash flow was under pressure, and the closure of Madagascar's borders to the world led to a difficult social situation.

*"It was a terrible time, both professionally and personally. But all the partners pulled together and above all showed a human face. The best decisions were made during these difficult moments and the future of the company, which was very uncertain for a while, is no longer in question."* - Frédéric Wybo, Managing Director of Ultramaille

The context of crisis did not suggest the possibility of an exit, even less on the promoter. **But by 2021, the company had recovered and emerged stronger from this challenge**. Ultramaille has fulfilled all the engagements made in 2016 when I&P entered. Ultramaille has bought back its stock, which has been its goal since the signing. It is a successful and "extraordinary" exit in a Covid context that both parties are celebrating today.

*"Currently, 80% of the company's machinery is less than 5 years old, our "handmade" products have found a more upscale clientele, and the company is strong with a modernized and intelligent governance. New markets are now to be conquered!"*

## **About Investisseurs & Partenaires**

**Investisseurs & Partenaires (I&P)** is a pioneering impact investment group in Africa, entirely dedicated to financing and supporting start-ups and small and medium-sized enterprises in Sub-Saharan Africa.

Created in 2002, the group has a hundred experienced and committed employees based in 10 African offices (Burkina Faso, Cameroon, Ivory Coast, Ghana, Kenya, Madagascar, Mali, Niger, Uganda and Senegal), in Paris and Washington D.C.

I&P has supported about 200 SMEs in 15 African countries, providing long-term financing as well as strategic, managerial and technical support. As an impact investor, I&P's mission is to maximize the societal impact of its partner companies and contribute to dynamic and inclusive growth in Africa.

To know more about our activities, visit: [www.ietp.com](http://www.ietp.com)

### Contacts

**Mialy Ranaivoson – Investment Director, Madagascar**  
[m.ranaivoson@ietp.com](mailto:m.ranaivoson@ietp.com)

**Clémence Bourrin – PR & Communication Manager**  
[c.bourrin@ietp.com](mailto:c.bourrin@ietp.com)