

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



DRIVING SUSTAINABLE MOBILITY SOLUTIONS IN NIGERIA

Metro Africa Xpress Inc. (MAX NG) was founded in 2015 to connect drivers in the 2,3 and 4-wheel categories to credit customers, and Original Equipment Manufacturers (OEM) services. The company started out as a motorcycle-based logistics service before adding passenger transportation services in 2017 becoming one of the pioneers of bike hailing in Nigeria.

MAX is now one of two large commercial motorcycle and tricycle hailing platforms in Nigeria with 3,000 subscribed active riders.

Since inception, MAX has onboarded 13,000 drivers, financed 4,000 vehicles, completed 9 million trips, launched in 5 cities, piloted Electric Vehicles (EVs) and formed government partnerships. The platform has unlocked \$30 million in debt funding for drivers to purchase vehicles and facilitate an average of \$5,000 in annual income per driver.

Prior to MA support MAX had raised \$10m in grant and venture capital equity, including from Yamaha, Mastercard Foundation, Shell Foundation among several other strategic and financial investors.

Gender Inclusion

262
employees

40%
women



3,000
subscribed
drivers

10%
women



THE CHALLENGE

In June 2019 the company announced plans to pilot and scale the assembly and sale of Electric Vehicles (EVs) in addition to Internal Combustion Engine (ICE) vehicles.

Max expects that 31% of its fleet will be made up of EVs by 2024 and 69% by 2026.

MAX seeks to raise \$40m+ in the next three years, across two rounds, to continue its hyper growth trajectory

MA Support

The Manufacturing Africa Team supported the company's expansion plans by delivering the following:



Market assessment of the end-to-end EV value chain: MAX has strong relationships with Original Equipment Manufacturers (OEMs) for the supply of parts and the assembly of the E2W and E3W vehicles but needed support in building out other elements of the value chain that are critical to the success of their expansion. MA's market assessment fed into their overall EV scale up strategy and contributed to the creation of a sustainable and profitable business model.



MA generated insights that created a better understanding the value chain for batteries, the charging infrastructure and supported in developing incentives for EV adoption as well as potential business models.



Developing partnerships with renewable energy suppliers, integrated energy groups, and battery manufacturers.



Facilitating access to capital: MA supported MAX in mapping out and facilitating introductions for additional investors for their \$20m Series B raise and future ~\$20m Series C raise.



Sustainability strategy:

The ESG team within MA undertook a Sustainability Options Assessment that provided a suite of options for integrating sustainability considerations into their business model, including aligning with the Sustainable Development Goals and relevant "green" certification schemes. Further, a Sustainability Strategy was prepared that set out how the company will ensure the circularity of their expansion as they begin to roll-out and scale up their EV operations.

IMPACT



MAX closed their Series B raise in December 2021 at \$31 million in an oversubscribed round. They hope to close on their Series C in the next 12 months.



With MA support, MAX was able to clearly document their business strategy and articulate how they could play to win in a nascent sector which was crucial for their Series B raise.

LESSONS LEARNED

Partnerships are critical in the EV space, particularly in Nigeria which suffers from a lack of reliable power. The private sector has an important role to play in proving the business model in order to secure public sector investment and linkages that can be made in this regard are vital

“We’re deeply appreciative of the continued support of the UK government to the e-mobility industry in Africa, through the Manufacturing Africa programme”

Max Nigeria Representative



This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government’s official policies.

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