

COUNTRY	→ Algeria
BUSINESS FOCUS	→ Long-term car rental
INVESTMENT DATE	→ March 2016
INVESTMENT FUND	→ Mediterrania Capital II
COMPANY TYPE	→ SME (At investment)

CIEPTAL CARS

THE COMPANY

Founded in 2006, Cieptal Cars is a leading player in long-term car rentals in Algeria. It is a service-oriented company that focuses on blue-chip corporate customers, mainly from the oil and gas industry, and also provides car maintenance and driver services on demand.

Cieptal Cars operates from two sites: Algiers and Hassi Messaoud, considered as the first energy town in Algeria, where all large oil and gas companies have offices and bases. That location gives Cieptal Cars a competitive positioning compared with other players in the car rental segment.

Operating a fleet of more than 1,000 vehicles at the end of 2019, Cieptal Cars is the number one player in the South of Algeria in the B-to-B segment.

VALUE CREATION

Mediterrania Capital Partners' investment enabled Cieptal Cars to acquire 580 vehicles between 2016 and 2019, thereby renewing and increasing its fleet capacity and allowing it to renew existing contracts and conclude new ones with more efficient and environmentally friendly cars. By the end of 2019 the size of the fleet had increased to 1,000 vehicles (up from 825 vehicles in 2015), boosting the company's ability to address larger long-term car rental tenders in a context of increasing import restrictions and quotas of cars in Algeria.

To consolidate its position in the long-term car rental segment and diversify its customer base, Cieptal Cars and Mediterrania Capital Partners decided to halt the company's car transportation services business. This decision enabled it to sell its used trucks and trailers at attractive prices in the second-hand market and use the extra cash flow to buy more environmentally friendly new vehicles for its long-term rental business.

ESG ACTIONS

Managing the company's environmental impact and maintaining a safe and reliable fleet of cars are key to driving customer satisfaction and managing regulatory risks at Cieptal Cars. The company has achieved these aims by developing a robust corporate responsibility framework directed towards reducing its greenhouse gas and air pollutant levels and ensuring efficient fleet utilisation.

Cieptal Cars has also taken several steps to reduce its carbon footprint, including continuously replacing its older fleet with lower-emission alternatives (i.e. more fuel-efficient models), making less use of older vehicles and continuing to invest into the latest Euro VI diesel technology.

In addition, Cieptal Cars has improved its work culture and is today considered more favourably, according to a recent employee survey. It is one of the largest employers of drivers in Hassi Messaoud, offering opportunities for promotion and the possibility of living onsite in accommodation camps. Over the last three years absenteeism decreased to 0.8% compared with 1.28% in 2015.

Mediterrania Capital Partners has worked with Cieptal Cars on introducing incentive plans to encourage, recognise, and reward employees' performance and align their interests with those of the shareholders. As a result of these programmes, the company has shown greater employee engagement, retention and overall job satisfaction.



“Our corporate strategy seeks to increase and diversify our portfolio of clients, products and activities in Algeria. The team of Mediterrania Capital Partners has brought solid support to our plans, thanks to its extensive business knowledge and experience in the region.”

RACHID BENLAKEHAL, FOUNDER OF CIEPTAL CARS

REVENUES 2020 (€)

€13.8 million

1,000+
vehicles