



Business Case Mottu - Global Trainee 2025



Expansion Thesis: Why Mottu Should Enter Egypt

- 1. Unrelenting Appetite for Affordable Mobility: Egypt has a rapidly growing population of 110 million with increasing urbanization (43% urban population) Cairo is the world's most congested city (average speed 18 km/h during peak hours) Motorcycles are already 23% of Egypt's vehicles (Central Agency for Public Mobilization and Statistics)
- 2. Vibrant Gig Economy Food delivery market growing at 25% CAGR (expected to reach \$1.2B in 2025) Over 500,000 gig workers in transport/delivery industries (80% relying on motorcycles) High youth unemployment (24.8% for 15-24 years) driving growth in informal sector
- 3. Credit Access Challenges: Less than 14% of Egyptians have access to formal credit (World Bank estimate) Purchase of a motorcycle requires 12-18 months of saving by average gig worker Existing rental options are in informal nature (no maintenance, insurance, or legal coverage)



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- ▶ 4. Facilitative Infrastructure: 95% of Egyptian population live on 5% land (Nile Valley/Delta), enabling concentrated operations Government is spending \$1.3B on road infrastructure (2020-2024) High mobile penetration (94% with internet-capable phones) Market Similarity: Similar to northeast Brazil where Mottu has been successful - dense urban populations, youth populations, and growing delivery markets.



Overcoming Challenges and Driving Growth

- 1. Regulatory Barriers: Challenge: Inefficient vehicle registration process and import tariffs (40% for motorcycles)
- Solution: Local producers (e.g., TMG Holding) to put together CKD to reduce costs
- 2. Informal Market Competition: Challenge: 80% of rentals are informal (no contract, cash)
- Solution: Focus advantages: insurance, maintenance, legal safeguard
- Solution: Integration of digital payments with popular apps (Vodafone Cash, Fawry)



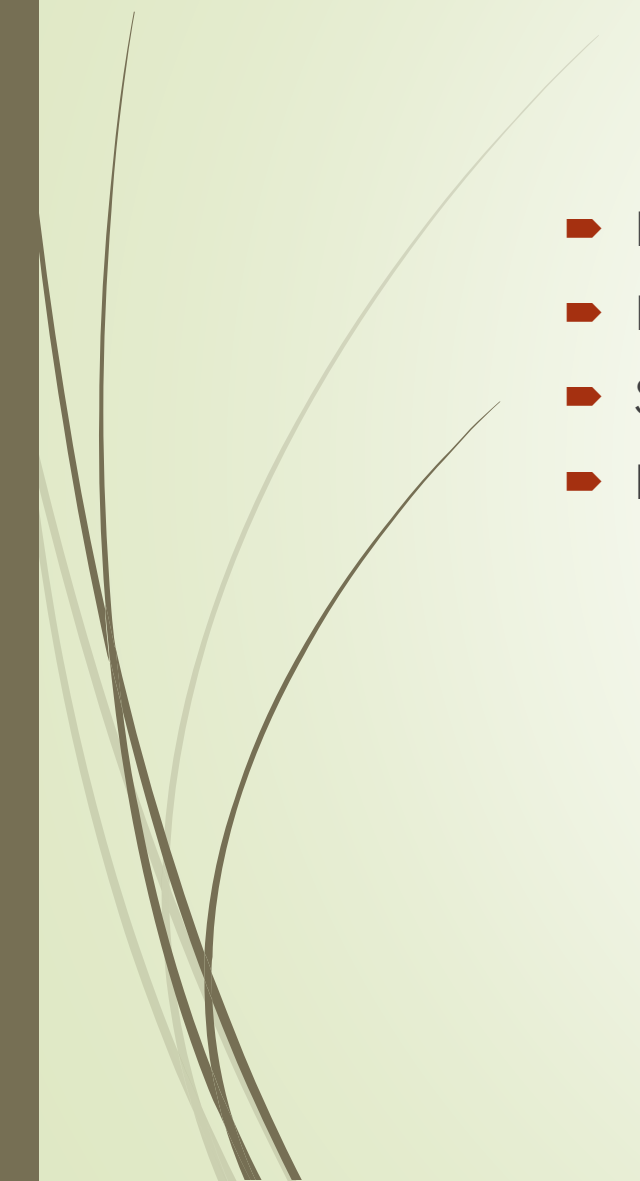
Overcoming Challenges and Driving Growth

- 3. Consumer Behavior: Challenge: Cultural ownership preference
- Solution: "Try before buy" programs with rent-to-own option
- Solution: Partnerships with delivery platforms (Talabat, Yalla) for onboarding drivers with incentives

- 4. Infrastructure Constraints: Challenge: Lack of parking/docking points in densely populated urban areas
- Solution: Decentralized service through mobile maintenance vans
- Solution: Micro-hubs in partnership with gas stations (ENPPI, Shell)

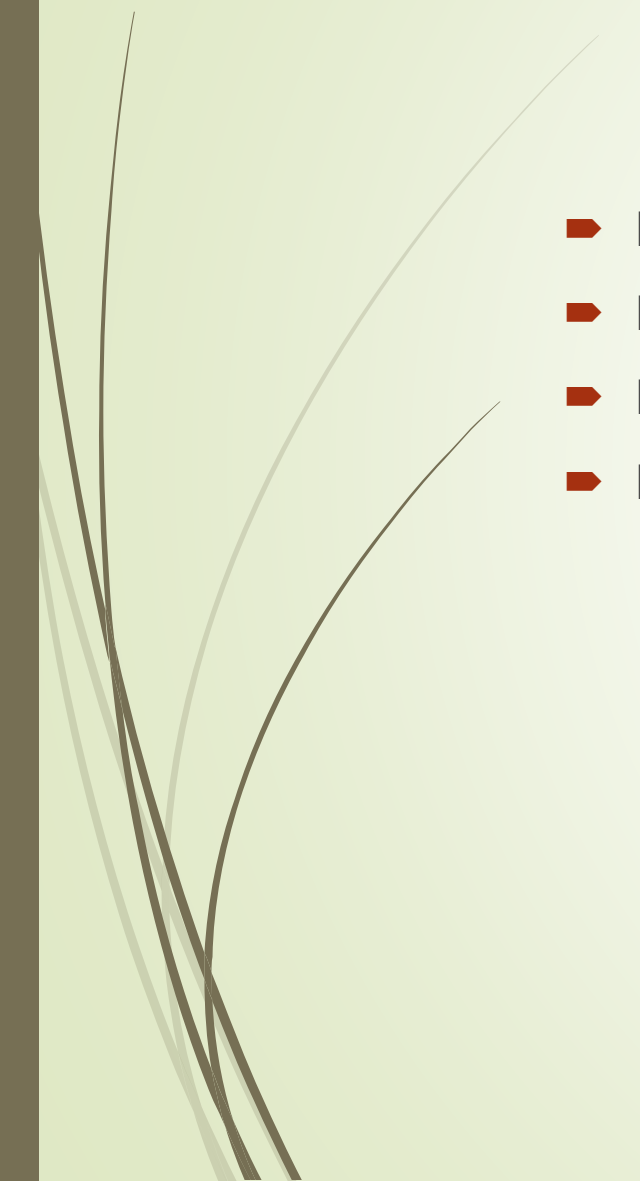


Recommended Market Entry Strategy

- Phase 1 (Q1-Q2 2025):
 - Entry into Greater Cairo (20M population)
 - Start with 5 hubs in close vicinity to industrial/logistics clusters
 - Initial bike fleet of 500 motorcycles (125cc models)
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Recommended Market Entry Strategy

- Phase 2 (Q3-Q4 2025):
 - Expand into Alexandria and Delta cities
 - Launch electric models (aligned with gov't sustainability programs)
 - Partner with 2 big delivery platforms
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Key Differentiators



- Halal financing products (essential for Muslim-majority market)
 - Arabic-app interface with simple-to-use UI for low-digital-literacy consumers
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- Egypt is a compelling opportunity with its large underserved base of gig workers, mobility challenges, and growing digital economy - all drivers that perfectly align with Mottu's value proposition.



Data Sources & References

- **CAPMAS (2023):** Central Agency for Public Mobilization and Statistics – Vehicle Registration Report
 - **Statista (2024):** Egypt Food Delivery Market Forecast
 - **World Bank Findex (2023):** Financial Inclusion in Egypt
 - **ILO (2023):** Youth Unemployment & Informal Employment in Egypt
 - **Egypt Ministry of Transport:** Infrastructure Investment Plan (2020–2024)
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Data Analysis

Churn Analysis Summary

- ◆ Controllable churn dominates in high-density urban regions
- ◆ Younger gig workers (age 25–35) churn more frequently
- ◆ Most churn happens within the first 6 months of contracts
- ◆ Seasonality peak in Q1 (January–March)

