

Country Snapshot: Ethiopia



Ethiopia's share of private equity deal value in East Africa (2010 - 2015)

13%

Number and value of PE deals in East Africa, by country, 2010-2015



Country	% share of PE deals in East Africa, 2010-2015	% share of PE deal values in East Africa, 2010-2015
Kenya	55%	66%
Ethiopia	7%	13%
Uganda	18%	10%
Rwanda	9%	6%
Tanzania	11%	5%

Private Equity Growth Drivers

Ethiopia is an attractive market for private equity (PE) given the size of its population (91 million the second largest on the continent) and relatively high economic growth rate (estimated to be 8.7% in 2015). It is also part of the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC), which, among other things, aim to facilitate trade among neighbouring African countries.

Private Equity Deals

PE investors are particularly attracted to consumer-related sectors in Ethiopia, keen to capitalise on increasing urbanisation and the emerging middle class. Companies which have attracted PE investment include Africa Juice (Agri-Vie, 2010), Alemayehu Makonnen Farm (Pearl Capital Partners, 2012), Awash Wine Share Company (8 Miles, 2013), Dashen Breweries (Abraaj Group & Duet Group, 2012), Medpharm Holdings (Ascent Capital, 2015), and Yes Brand Food & Beverages (Catalyst Principal Partners, 2013).

Sectors attracting private equity investment



Private Equity Funds

There is less competition for PE deals in Ethiopia, compared with other countries such as Kenya; an advantage for General Partners (GPs) that focus on the country. However, sourcing deals in a country where the majority of companies in the private sector are owned by families, requires trust to be built over a long period of time.

Selection of PE funds fundraising for Ethiopia



Focus: Ethiopia
Fund: Cepheus Capital
Targeted Close: US\$100mn



Focus: Sub-Saharan Africa
Fund: Actis Africa Real Estate Fund III
Targeted Close: US\$400mn

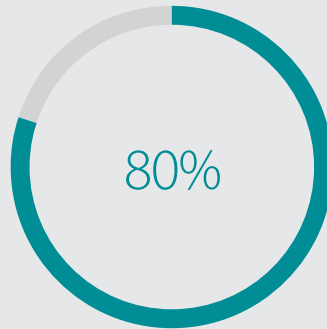


Focus: Pan-Africa
Fund: ECP Africa Fund IV
Targeted Close: US\$750mn

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Private Equity Deal Size

80% of PE deals in Ethiopia
are below US\$50mn



Sectors Attracting Private Equity Investment In Ethiopia, 2010-2015



Food & Beverage

Africa Juice

Agri-Vie

Awash Wine Share Company

8 Miles

Dashen Breweries

The Abraaj Group & Duet Group

NAS Foods

Silk Invest

Yes Brand Food & Beverages

Catalyst Principal Partners



Agriculture

Afriflora

KKR

Alemayehu Makonnen Farm

Pearl Capital Partners

Norish

Databank Agrifund Manager



Health Care

Medpharm Holdings

Ascent Capital



Industrials

Ethiopian Airlines

Harith

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About AVCA

AVCA: Enabling private investment in Africa

The African Private Equity and Venture Capital Association is the pan-African industry body which promotes and enables private investment in Africa.

AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.

With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.