AVCA’s Spotlight on East Africa Private Equity provides a summary of recent private equity ("PE") activity in the region.

**Key findings:**
- Between 2007 – 2014, there were 158 reported PE transactions in East Africa totaling US$1.5bn.
- East Africa’s share of PE transactions in Africa is rising, albeit from low levels. The region accounted for 18% of the total number of PE transactions in Africa from 2011 - 2014, up from 13% in 2007 - 2010. Its share of the total value of African PE transactions was 4% in 2007 - 2010 and 6% in 2011 - 2014.
- The PE market in East Africa is predominantly focused on investing in small and medium-sized enterprises, with a median PE transaction size of US$5mn compared with US$14mn for all African PE transactions.
- Kenya has attracted the majority of PE transactions in East Africa, both by number and value. Uganda, Tanzania, Rwanda and Ethiopia, however, are all seeing increased interest from PE investors.

*Further information is available to AVCA members.*
<table>
<thead>
<tr>
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<th>Company: Equity Bank</th>
<th>Company: Umeme</th>
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### Key learnings from doing business in East Africa

#### Selection of Africa private equity exits

- **Company:** Apollo Investments Limited
  - **Country:** Kenya, with branches in Uganda and Tanzania
  - **PE Investor:** LeapFrog Investments
  - **Sector:** Financials
  - **Entry Date:** June 2011
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- **Company:** Equity Bank
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- **Company:** Umeme
  - **Country:** Uganda
  - **PE Investor:** Actis
  - **Sector:** Utilities
  - **Entry Date:** November 2009
  - **Exit Date:** June 2014
  - **Returns:** Regulated returns on capital deployed on network investment of 20%

### Methodology

Private equity (PE) is defined as both private equity and venture capital. Transactions cover all deals made by private equity firms across all sectors, including infrastructure. It excludes PIPE transactions where the PE firm was unlikely to have any influence on company strategy. Transaction dates are taken to be the date on which the deal is announced, unless otherwise specified. Deal size includes equity, mezzanine, senior debt and co-investments (where available). Sectors for transactions are based on Global Industry Classification Standard classifications. Deal size includes equity, mezzanine, senior debt and co-investments (where available). Returns are based on year of final close, where available. If a fund has achieved a final close but the year of final close is not known, year of first close is used instead. Qualifying funds include funds that have a sole focus on Africa or have an allocation to Africa alongside a broader emerging markets investment mandate. It excludes funds with a global investment remit that invest in Africa.

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