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

Key findings:
- Between 2007 - 2015 H1, there were 311 reported PE deals in West Africa totalling US$6.1bn.
- West Africa’s share of African PE activity is rising. The region accounted for 25% of the total number of PE deals in 2007 - 2010, increasing to 28% in 2011 - 2015 H1. Its share of the total reported value of PE deals was 9% in 2007 - 2010 and 25% in 2011 - 2015 H1.
- Nigeria and Ghana are the largest markets for PE in the region, accounting for 65% of deal volume and 93% of reported deal value from 2007 - 2015 H1.
- Overall, there were 75 PE exits in West Africa from 2007 - 2015 H1, with sales to multinational trade buyers - in financials and consumer sectors - accounting for a significant proportion of the exits.

Further information is available to AVCA members.
Case studies of West Africa private equity exits

**Company:** Express Life  
**Country:** Ghana  
**PE Investor:** LeapFrog Investments  
**Sector:** Financials  
**Entry Date:** May 2012  
**Exit Date:** April 2014  
**Exit Route:** Trade  
**Returns:** 82% Gross IRR  
**Key learnings**
- Changing regulation in the insurance industry resulted in consolidation opportunities. In addition, the regulator is supportive of foreign investment
- Implemented innovative strategies to capitalise on synergies between portfolio companies. For example, partnering a traditional insurance provider with a mobile insurance distributor extended product reach and improved premium collection
- Shortage of key skills in insurance businesses - actuarial, IT and distribution - means private equity can add a lot of value through skills transfer to local employees

**Company:** Mansard Insurance  
**Country:** Nigeria  
**PE Investor:** AfricInvest, Development Partners International, and other investors  
**Sector:** Financials  
**Entry Date:** July 2011  
**Exit Date:** November 2014  
**Exit Route:** Trade  
**Returns:** Not disclosed  
**Key learnings**
- Regulatory changes coupled with under-penetration in the insurance industry fuelled sector growth
- Development of a strong bancassurance model (selling insurance products through banks) enabled and deepened the retail strategy. In addition, product diversification opened new market opportunities
- Improved governance and back office procedures were significant value creation drivers

**Company:** NSIA  
**Country:** Ivory Coast and 11 other countries  
**PE Investor:** Emerging Capital Partners  
**Sector:** Financials  
**Entry Date:** December 2008  
**Exit Date:** May 2015  
**Exit Route:** Trade & PE  
**Returns:** 2.4x (Euro Basis)  
**Key learnings**
- Despite the global financial crisis and political instability (in Ivory Coast), the business showed resilience due to strong fundamentals
- A regional expansion strategy across West Africa was key to creating value
- Although challenges exist in aligning different business models, private equity is able to leverage its network and operational expertise to create commercial opportunities
- Significant minority stakes in regional businesses are attractive to strategic investors

**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. Vintage year of fundraising is 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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