



## East Africa Key Findings: 2010-2016 H1

**167** Number of reported PE deals

**US\$1.4bn** Value of reported PE deals

**35** Number of PE exits

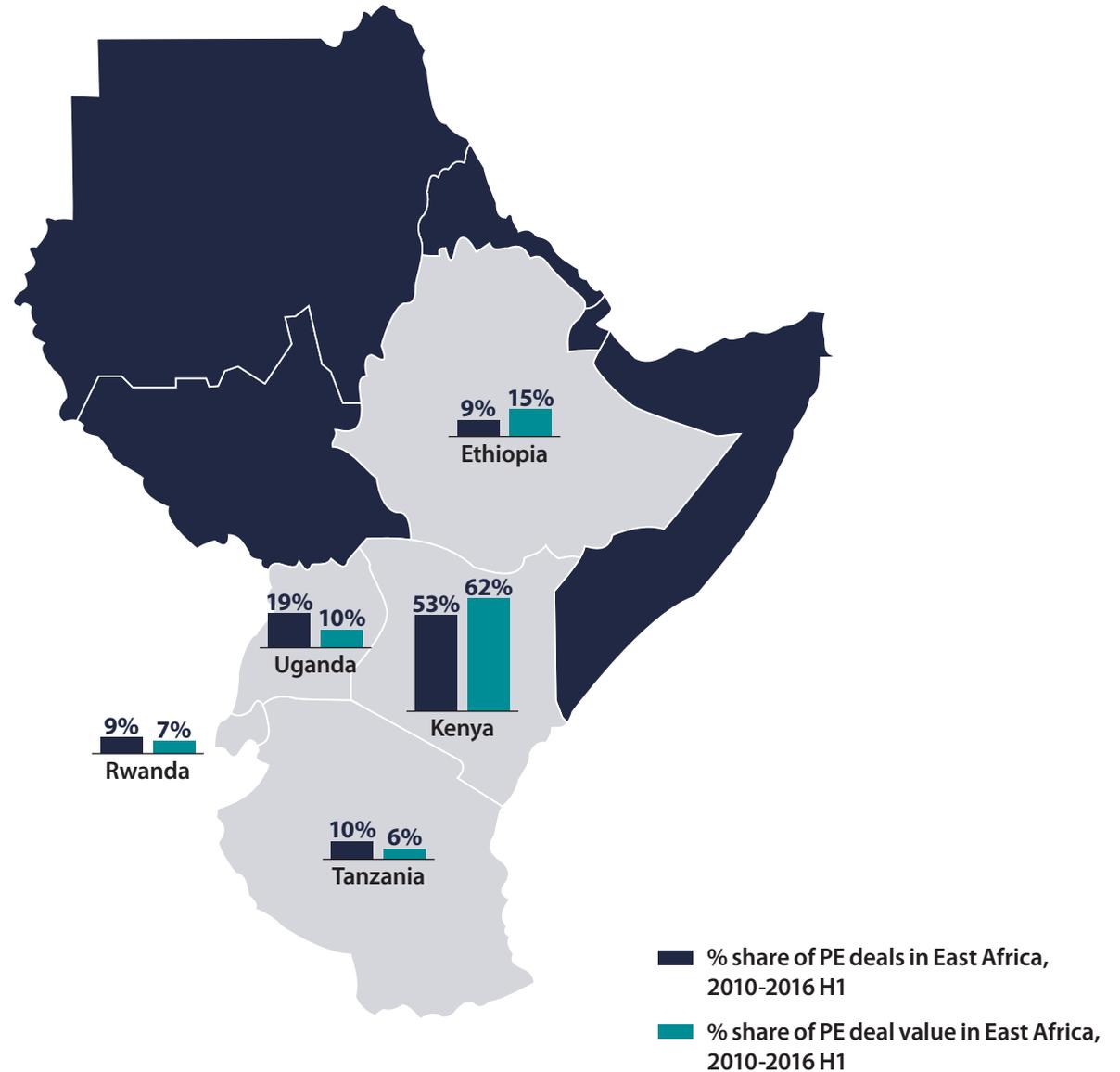
AVCA's Spotlight on East Africa Private Equity provides a summary of recent private equity ("PE") activity in the region.

### Key findings:

- Between 2010 and 2016 H1, there were 167 reported PE deals in East Africa totalling US\$1.4bn
- East Africa accounted for 18% of the total number of PE deals in Africa between 2010 and 2016 H1. Its share of the total reported value of PE deals was 6% over the same period
- Between 2010 and 2016 H1, Kenya attracted 53% of the total number of PE deals reported in East Africa, followed by Uganda (19%) and Tanzania (10%)
- There were 35 PE exits in East Africa from 2010-2016 H1, with sales to trade buyers – in financials and consumer sectors – accounting for a significant share of the exits

Further information is available to AVCA members

Percentage share of the volume and value of reported PE deals in East Africa, by country, 2010-2016 H1





## Case studies of East Africa private equity exits

### Brookhouse

**Country:** Kenya  
**PE Investor:** AfricInvest

**Sector:** Consumer Discretionary  
**Entry Date:** 2010  
**Exit Date:** August 2015  
**Exit Route:** Trade  
**Returns:** Not disclosed



#### Key learnings from doing business in East Africa

- Family businesses seeking to professionalise their management structure and improve governance are helping to drive PE deal activity in the region
- The strong fundamentals of the education sector in Kenya, coupled with a focus on strong leadership and world-class facilities contributed to student growth, financial viability and sustainability
- PE plays an important role in the development of strong educational businesses in the region with global appeal as evidenced by the school's selection to participate in the G20 Group of Schools, as well as its sale to an international buyer

#### Research Methodology

Private equity (PE) is defined as both private equity and venture capital. Transactions cover all investments 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. It includes initial and follow-on investments. Deals dates are taken to be the date on which the deal is announced, unless otherwise specified. Deals value includes equity, mezzanine, senior debt and significant 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. GPs that are included have raised, or are raising, third-party PE funds from institutional investors. Qualifying funds include funds that have a sole focus on Africa or have an allocation to Africa alongside a broader emerging markets investment mandate. Funds with a global investment remit that invest in Africa are excluded.

### International Medical Group Limited

**Country:** Uganda  
**PE Investor:** Kibo Capital Partners

**Sector:** Health Care  
**Entry Date:** January 2012  
**Exit Date:** June 2015  
**Exit Route:** Trade  
**Returns:** Not disclosed



#### Key learnings from doing business in East Africa

- A local presence is key to understanding the intricacies of target markets, selecting the rights partners and creating value in the SME/mid-market space
- Due to limited individual market sizes and increased integration, developing a regional strategy prior to investing is critical
- With intensifying competition and increasingly sophisticated customer behaviour affecting top line and margin growth, private equity needs to utilise deep operational and strategic expertise to realise target returns

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### UAP

**Country:** Kenya  
**PE Investor:** The Abraaj Group, AfricInvest, Swedfund & other investors

**Sector:** Financials  
**Entry Date:** March 2012  
**Exit Date:** July 2015  
**Exit Route:** Trade  
**Returns:** Not disclosed



#### Key learnings from doing business in East Africa

- Favourable regulatory environment in the insurance market enabled the execution of a strong regional expansion strategy
- Backing a strong management team with the ability to leverage under penetration in the sector is a key driver for growth. In addition, partnering with a trusted local brand is instrumental in expansion within current and new markets
- Implementation of new technology is a key driver in accessing new distribution opportunities, and increasing efficiency through advanced business intelligence

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