Key findings:

- Between 2010 and 2016 H1, there were 277 reported PE deals in Southern Africa totalling US$3.5bn.
- Southern Africa accounted for 29% of the total number of PE deals in Africa for the period 2010-2016 H1. Its share of the total reported value of PE deals was 16% over the same period.
- South Africa accounted for 75% of the total number and 90% of the total value of PE deals completed in Southern Africa between 2010 and 2016 H1.
- Between 2010 and 2016 H1, there were 139 PE exits in Southern Africa.

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

### Continental Outdoor Media
- **Country:** South Africa, Zambia and 11 other countries
- **PE Investor:** Helios Investment Partners
- **Sector:** Consumer Discretionary
- **Entry Date:** December 2009
- **Exit Date:** June 2015
- **Exit Route:** Trade
- **Returns:** Not disclosed

**Key learnings from doing business in Southern Africa**
- Partnering with appropriately-sized strategic BEE partners in South Africa with specific industry expertise is critical
- Technological evolution can occur more rapidly in Africa than in developed markets; recognising and capitalising on these technology trends, such as mobile advertising, is key to creating value
- Ensuring a robust regulatory framework exists across multiple countries in the region is important to create a fair and competitive market
- A geographically-diversified pan-African business anchored in South Africa attracts high quality global strategies due to the country’s large addressable market and sizeable economy

### Louvre Hotel
- **Country:** Madagascar
- **PE Investor:** Adenia Partners
- **Sector:** Consumer Discretionary
- **Entry Date:** March 2006
- **Exit Date:** October 2015
- **Exit Route:** Private
- **Returns:** Not disclosed

**Key learnings from doing business in Southern Africa**
- Upgrading infrastructure and scaling capacity are key to creating value in a hotel asset and meeting clientele requirements
- Disposing of non-essential assets allowed the management team to focus on growing the core business, attracting multiple strategic buyers at exit
- Improving key processes, following digital trends, and developing partnerships with booking platforms, attracted new clients and sustained average daily rates. In addition, it was a contributing factor to achieving a higher exit multiple

### South Point
- **Country:** South Africa
- **PE Investor:** Metier
- **Sector:** Real Estate
- **Entry Date:** 2007
- **Exit Date:** June 2015
- **Exit Route:** Financial Buyer
- **Returns:** Not disclosed

**Key learnings from doing business in Southern Africa**
- A growing middle class, social upliftment, rapid urbanisation, and increasing government spending to foster development is driving growth in the education sector
- A systemic shortage in student accommodation – identified by governments as a key impediment to tertiary education – occurs as many universities and colleges are situated close to inner cities with underutilised buildings available for conversion
- A strong partnership with an entrepreneurial management team is critical in defining a new market segment and achieving growth
- Real Estate is an increasingly attractive sector to investors, as evidenced by the sale to a local buyer

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**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 includesPIPE 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.

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