



i&M Burbidge Capital

EAST AFRICA FINANCIAL REVIEW

FEBRUARY 2019



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February in Numbers



IMBC Deal of the Month:



Joint venture between Airtel Kenya and Telkom Kenya.

2

The number of disclosed deals in EA

“See things in the present, even if they are in the future.”

~Larry Ellison, co-founder of Oracle



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The Editorial Team

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In February, a slower pace in deal activity was recorded in the East African region with only 2 deals having been disclosed during the month compared to the 6 deals disclosed in February 2018 and the record 15 deals in January 2019.

IMBC's deal of the month is the proposed joint venture operation between Airtel Kenya and Telkom Kenya that will see the two telecommunication operators merge their respective mobile, enterprise, and carrier services businesses.

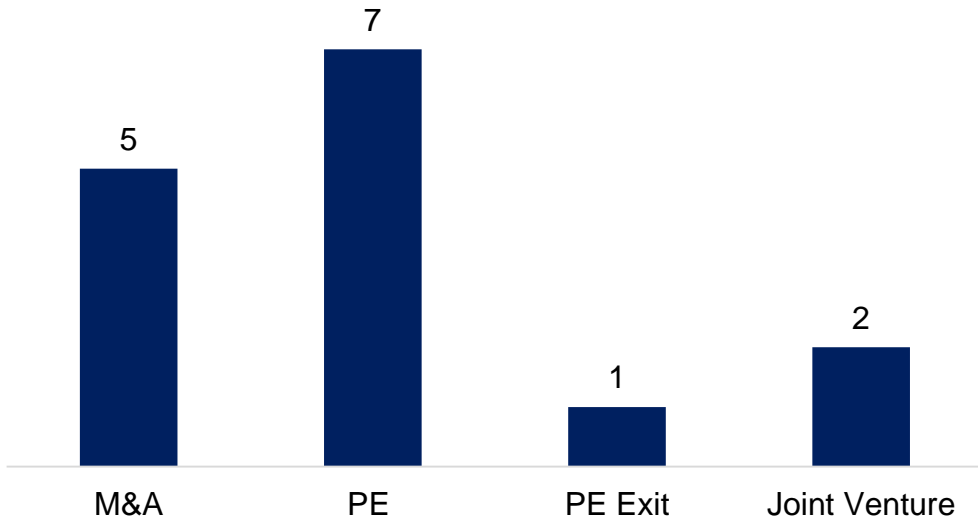
The listed equities market recorded mixed performance as the NSE 20 and NSE 25 indices declined by 2.2% and 1.5% respectively; whilst the NASI index gained 1.5% during the month.

Due to the upcoming takeover by Rubis Energie, KenolKobil's stock was suspended from trading on the bourse during the last week of the month. The suspension will remain in force until 11th March 2019.

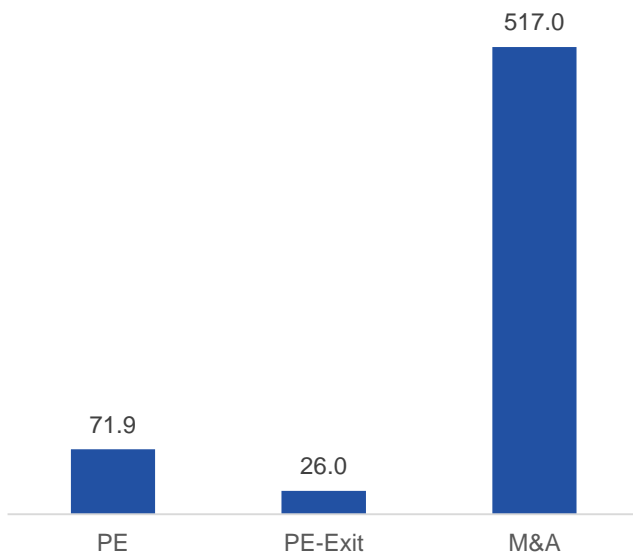
In other trading activity, top gainers during the month included Express Kenya, which increased by 58.8% YTD and Longhorn Publishers which increased by 29.7% YTD. Kenya Airways experienced the highest decline of 31.9% YTD.

Edward Burbidge, CFA & IMBC EA Review Team

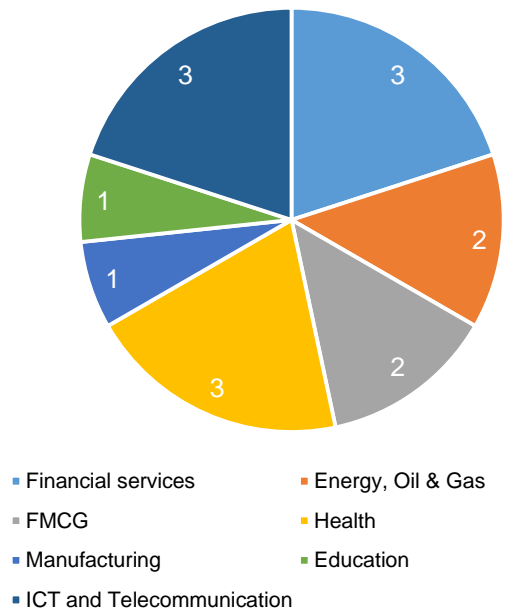
TOTAL NUMBER OF DEALS IN EA - 2019 YTD



DEAL SIZE IN USD M - YTD 2019



NUMBER OF DEALS PER SECTOR



Yields on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	7.1%	10.9%	12.3%	12.5%
Tanzania	3.5%	11.4%	9.2%	14.9%
Uganda	10.8%	14.8%	16.8%	17.0%

Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2018 actual Inflation	4.5%	3.5%	3.2%	2.9%
2019 projected inflation	5.6%	5.2%	5.0%	5.0%

GDP Growth Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2018 estimated GDP growth rate	5.9%	6.7%	5.3%	7.2%
2019 forecasted growth rate	6.0%	6.6%	5.5%	7.8%

Central Bank Rates

Country/Region	Previous rate	Current rate
Central Bank of Kenya (Kenya)	10.00%	9.00%
Bank of Uganda (Uganda)	9.50%	10.00%
Bank of Tanzania (Tanzania)	9.00%	7.00%
South African Reserve Bank (RSA)	6.75%	6.75%
Central Bank of Nigeria (Nigeria)	14.00%	14.00%
Central Bank of Egypt (Egypt)	18.75%	16.75%
Bank of England (UK)	0.50%	0.75%
Federal Reserve Bank (USA)	1.50%	2.50%
European Central Bank (EU)	0.00%	0.00%

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
08-Feb-19	Bharti Airtel Ltd	Telkom Kenya Ltd	Undisclosed	Telecoms	JV	Kenya	Bharti Airtel Ltd of India, a unit of Bharti Telecom Ltd, agreed to acquire Telkom Kenya Ltd- a Nairobi based wired telecommunications carrier from Jamhuri Holdings Ltd owned by Helios Investors III LP. The deal will see the shareholders of the two companies merge their respective mobile, enterprise, and carrier services businesses in Kenya to operate under a joint venture company.
19-Feb-19	Proparco	mSurvey	Undisclosed	ICT	PE	Kenya	mSurvey announced a follow-on investment by Proparco. The funding will be used by the start-up company to build its infrastructure and partnerships. mSurvey is a mobile survey platform that connects businesses with their clients in real time.

Events	Date	Venue	Theme
Africa Trade Finance Week	14 March 2019	CTICC (Cape Town International Convention Centre), Cape Town, South Africa	Africa Trade Finance Week provides an opportunity for networking and business development. The event will provide a comprehensive agenda covering all aspects of trade, commodity, export and infrastructure finance.
Pension Focus Africa Investment Summit (Africa Pensions Focus)	14 - 15 March 2019	Radisson Blu Hotel Nairobi Upper Hill, Nairobi, Kenya	The Pension Focus Africa Investment Summit will provide a unique practical high-level insight into portfolio performance measurement & investment risk analytics, taking into account of allocation of Pension fund assets across Africa and it's future Development.
Private Equity Professional Development Program	18 – 20 March 2019	Strathmore Business School, Nairobi	The East Africa Private Equity and Venture Capital Association (EAVCA) will host a 6 module training program on various aspects of the private equity and venture capital industry taking place over the course of a 3-day workshop. This program is targeted towards financial professionals in the early stages of their careers in private equity, and for service providers seeking to develop knowledge and networks in the industry.
3rd Pension Funds and Alternative Investments Africa - Piafrica 2019	20 - 21 March 2019	Hilton Mauritius Hotel & Spa, Coastal Roadm Wolmar, Flic-en-Flac, Mauritius	Pension Funds and Alternative Investments Africa is a global conference dedicated to the facilitation of discussion and advancement with leading pension funds, fund managers, asset managers and regulatory and administration heads..
Africa CEO Forum	25-26 March 2019	Kigali, Rwanda	The AFRICA CEO FORUM is the leading international conference dedicated to the private sector in Africa and hosts the continent's top CEOs, international investors, experts and high-level policy makers every year.
16th Annual AVCA Conference	1 – 5 April 2019	Radisson Blu Hotel, Nairobi	The annual AVCA Conference is the largest private equity gathering globally, attracting investors who collectively manage over US\$1.5trn in assets. The conference continues to be a rallying beacon, shedding light on the vast opportunities available to global investors, and guiding the industry with informative research and thought leadership.

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Originating and structuring Equity and Debt capital raising, IPOs, M & A transactions, Strategic Options advisory, PE advisory and other Corporate Finance Services.

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