



Burbidge
Capital

EAST AFRICA FINANCIAL REVIEW

AUGUST 2024

IN THIS ISSUE

Editorial Note 2

Deal Statistics 3

Key Market Indicators 5

Selected Deals 6

EAST AFRICA FINANCIAL REVIEW

Editor's Note

August was a resurgent month for deal making in East Africa with 11 transactions having been announced (increasing from 5 in July) which had a total disclosed deal value of c. USD 21.4 million (from 5 transactions that had disclosed deal values). Deal activity was well spread across the principal investor classes with; VC, M&A and PE, each recording 3 transactions and DFI following with 2 transactions. Activity was also broadly spread across all the major sectors with the agribusiness, financial services, manufacturing and professional & other services sectors each recording two transactions whilst the automotive, education and energy sectors recorded singular entries. Kenya was the most active market with 8 deals, Rwanda followed with 2 deals, and Tanzania completed the list with a singular entry.

The performance in August brings the YTD deal count to 84, trailing the same period in 2023 by 16.8%, whilst the total disclosed deal value increased to USD 1.1 billion, 68% lower than the same period in 2025. As we have noted previously, we believe this trend is reflective of the challenging macro-economic environment in the region, particularly since the 2nd half 2023, and more generally, the persistent effect of heightened global interest rates. The largest decline in activity has been witnessed in Private Equity investments which are down nearly 50% from the 26 deals recorded in the same period in 2023. As noted previously, this is a factor of both fewer GPs in the market with investable funds under management, on account of the challenging fundraising market, and challenges in sourcing high quality assets at the same time that average investment tickets are rising.

We however think that recent global and regional developments hint at a turning point for the region from both the demand and supply sides of capital. On the demand side, the continued stability of the KES, with particular note to the resilience displayed during the protest filled months between June and August, has had a positive impact on weakening inflation and as a result, the CBK's monetary policy committee cut its policy rate by 25 basis points in early July. This in and of itself is only a marginal improvement in the face of interest rates in the low teens, but the direction of travel is encouraging. Furthermore, strong diaspora remittances and export revenue, coupled with a lower import bill have done well to counter negative macro forces. These factors should set the base for corporate recovery across the region's largest economy and lead to marginal improvement in performance for FY 24 and subsequently, valuations in the region. On the supply side, global policy movements to cut interest rates should have a positive effect on capital availability for risky assets, whose constitution includes frontier market investments. We make these assertions with caution, highlighting that whilst global macros are strong and local macros seem to be trending positively, there remain significant structural challenges across the region. In Kenya, fiscal policy remains uncertain and business accommodation is waning, reducing competitiveness. Currency stabilization challenges and broader clashes between economic reform and the status quo are impediments for foreign direct investment in Tanzania and Ethiopia.

The juxtaposition presented above provides hope for growth in capital markets activity over the long term with a mixed picture in the short and medium term. We maintain an expectation for continued growth in local and regional trade player M&A activity, including consolidation for survival & inorganic growth by well established players, followed in due course by foreign trade player M&A. Private Equity and DFI activity will likely stabilize and trend upward with a more definitive and positive economic picture.

IMBC's deal of the month is the debt investment by Norfund and I&M Bank into Kim Fay East Africa. Kim-Fay, a leading East African manufacturer and distributor of hygiene, tissue, and home care products. The financing was expected to support Kim-Fay's business expansion, focusing on providing affordable tissue paper to lower-income market segments. The funds will finance the construction of a recycled paper manufacturing facility at Tatu City, which will use locally sourced wastepaper. The new facility is expected to be operational by 2025. I&M Burbidge Capital advised Kim Fay East Africa in the transaction.

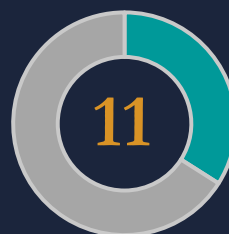
The listed equities market saw a growth in performance in August, with the NSE 20, and NSE 25 recording 0.5% and 0.2% in gains whilst the NSE All Share Index recorded 1.9% in losses. Average daily turnover decreased to USD2.52 million, from USD1.96 million in July. Top gainers during the month included Bamburi Cement and Total Kenya which were up by 25% and 21.4%, respectively. B.O.C. Kenya and Eveready East Africa recorded the largest losses ending the month down by 15.6% and 15%, respectively.

KEY HIGHLIGHTS

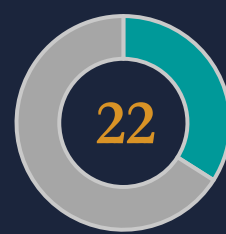
- Total number of disclosed deals in the YTD increases to 84.
- Total disclosed deal values in the YTD now c. USD 1.1 billion.
- VC investment activity accounts for 38% of YTD deal activity with M&A, PE and DFI activity comprising 24%, 18% and 15% of total corporate deals.

AUGUST

In Numbers



The number of disclosed deals in EA



Disclosed deal value in USD million



IMBC Deal of the Month:

Norfund and I&M Bank's investment in Kim Fay East Africa.













The Editorial Team

EDWARD BURBIDGE | KEVIN KURIA
AAYUSH SHAH | JOAN MUIRURI



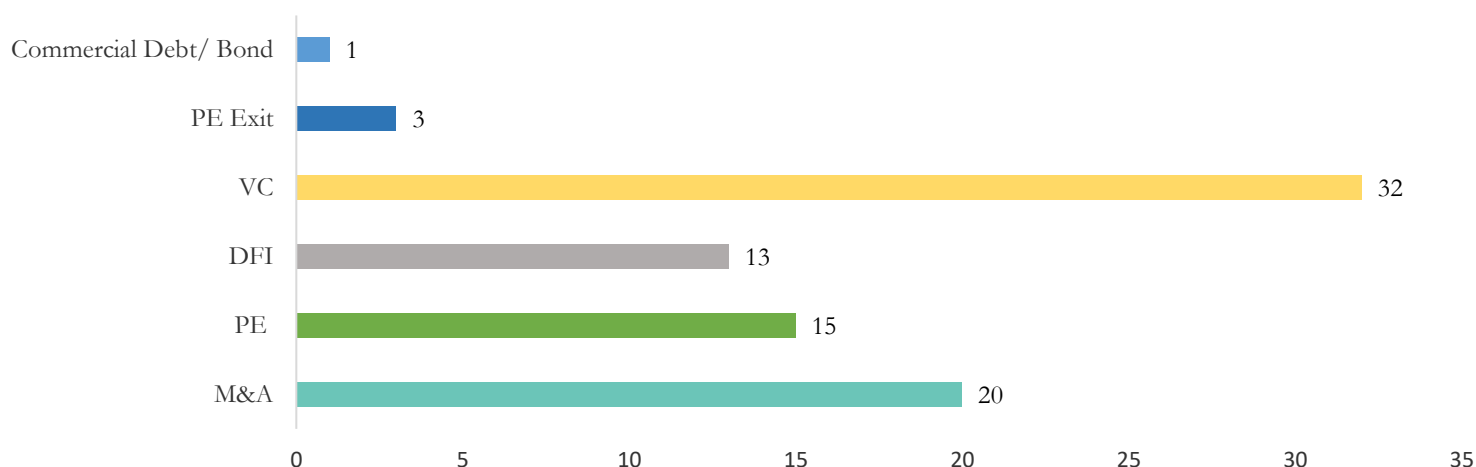
PART I : DEAL STATISTICS

Analysis by Sector

Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
 Agribusiness	17	238.4
 Manufacturing	11	233.1
 Energy	11	156
 Financial Services	11	88.25
 ICT and Telecom	7	70.5
 Automotive	7	33
 Professional & Other Services	6	5
 Healthcare	4	25.4
 Real Estate	3	227.5
 Education	2	5
 Logistics	2	Undisclosed
 Mining	2	Undisclosed

Analysis by Type of Transaction

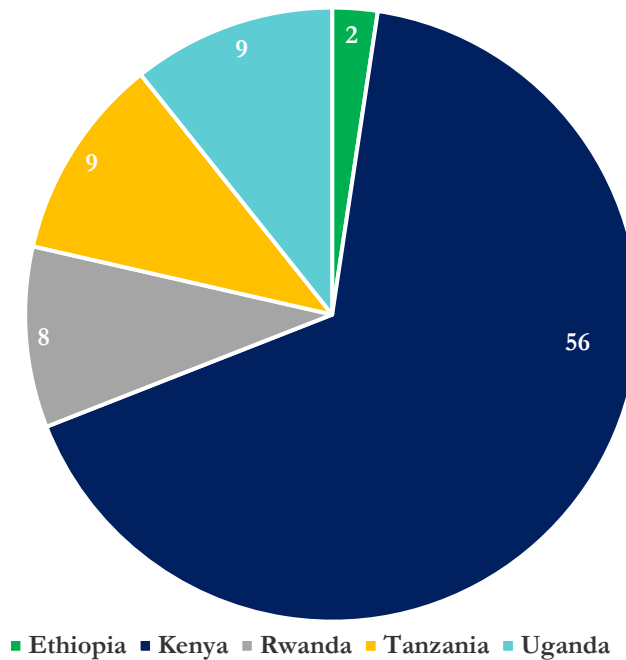
TOTAL NUMBER OF DEALS IN EA - YTD 2024



PART I : DEAL STATISTICS

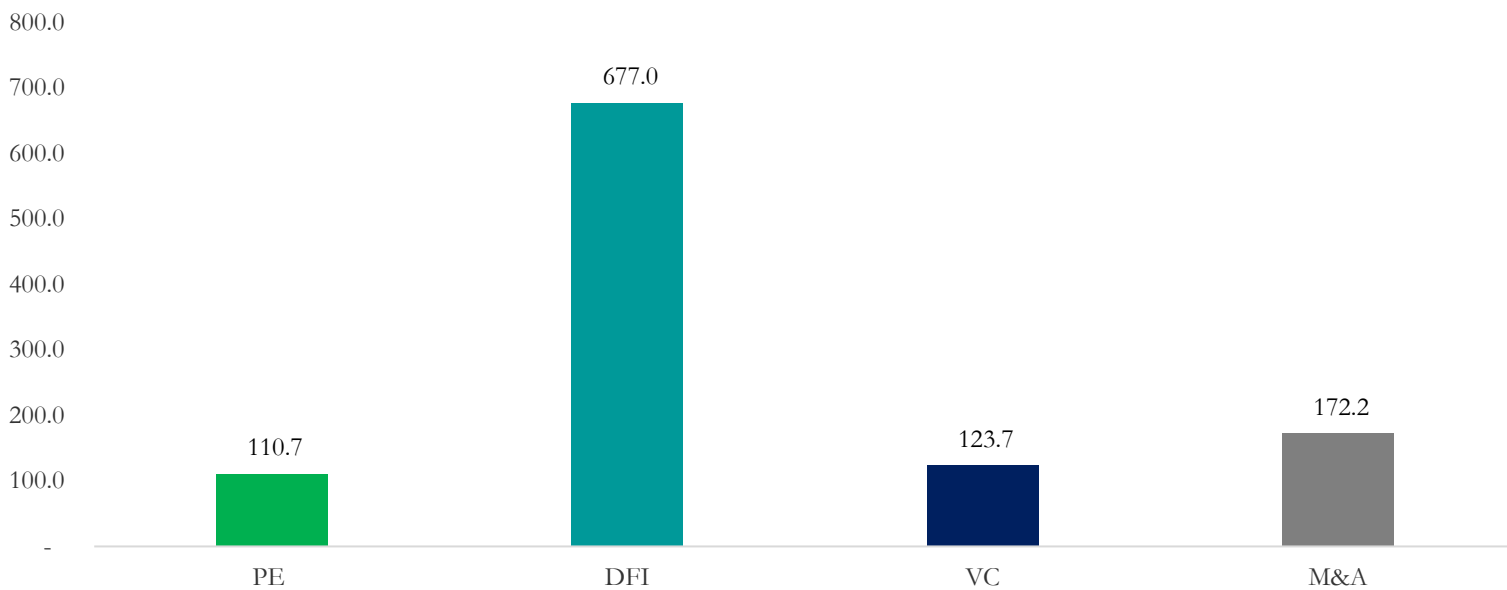
Analysis by Country

TOTAL NUMBER OF DEALS IN EA - YTD 2024



*Deals in the “Sector Analysis” table that have an impact on a company’s operations in more than one country have been treated as a single deal. In the “Analysis by Country” chart above, each country operation has been considered as a separate deal. There may therefore be a mismatch between the “Sector Analysis” and “Analysis by Country” deal numbers.

DEAL SIZE YTD 2024 IN USDM



PART II : KEY MARKET INDICATORS

(As at 31st August 2024)

Coupon Rate on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	15.78%	17.81%	18.37%	16.9%
Tanzania	5.13%	7.60%	9.18%	11.44%
Uganda	10.20%	16.75%	15.30%	15.90%

Source: Refinitive, respective Central Bank

LTM Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2023 Actual Inflation	6.73%	3.30%	3.50%	12.30%
2024 Projected Inflation	4.40%	3.00%	3.50%	4.90%

Source: World Bank

Central Bank Rates

Country/Region	Rate as at August 2024	Rate as at July 2024
Central Bank of Kenya (Kenya)	12.75%	13.00%
Bank of Uganda (Uganda)	10.00%	10.25%
Bank of Tanzania (Tanzania)	6.00%	6.00%
National Bank of Rwanda (Rwanda)	7.00%	7.00%
South African Reserve Bank (RSA)	8.25%	8.25%
Central Bank of Nigeria (Nigeria)	26.25%	26.75%
Central Bank of Egypt (Egypt)	27.25%	27.25%
Bank of England (UK)	5.00%	5.00%
Federal Reserve Bank (USA)	5.33%	5.33%
European Central Bank (EU)	3.75%	3.75%

Source: CB Rates

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
02-Aug-24	Village Capital	Coamana	0.5	Financial Services	VC	Kenya	Village Capital's Reducing Inequalities Investment Facility announced its investment of USD500,000 in Coamana, a business operating in Nigeria and Kenya. This partnership with Village Capital marks the beginning of the next phase of Coamana's growth in promoting sustainability in farming communities in Nigeria and Kenya.
06-Aug-24	Fortis Green Renewables Investment Management and AXIAN Energy	Gigawatt Global Rwanda Ltd	Undisclosed	Energy	M&A	Rwanda	Fortis Green Renewables Investment Management and AXIAN Energy acquired stakes in Gigawatt Global Rwanda Ltd, a solar power plant located at the Agahozo-Shalom Youth Village in Rwamagana. Fortis Green holds 51% of Gigawatt Global Rwanda, while AXIAN Energy's subsidiary, NEA Rwanda Ltd, owns the remaining 49%.
06-Aug-24	Village Capital	Aquarech	Undisclosed	Agribusiness	VC	Kenya	Village Capital announced an investment in Aquarech, a Kenyan agtech startup that enables small and medium-sized fish farmers to become more productive and profitable by providing them with access to quality fish feed, credit, and buyers. This investment comes from Village Capital's Reducing Inequalities Investment Facility, backed by FMO's MASSIF Fund.
08-Aug-24	Peak and Dale Group	Bean Interactive	Undisclosed	Professional and Other Services	M&A	Kenya	Peak and Dale Group, a premier tech and communications agency, announced the acquisition of Bean Interactive, one of Kenya's top marketing agencies. With this acquisition, Peak and Dale Group solidifies its position as a leading African integrated tech and communications agency capable of competing on a global scale.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
08-Aug-24	Savannah Crest (KE) Limited	Angata Sugar Mills Limited	3.9	Manufacturing	M&A	Kenya	Kenya's Angata Sugar Mills is preparing to sell a 40% stake in the company to Savannah Crest KE Limited in a deal valued at KES 500 million (USD 3.88M). The transaction, which is expected to be finalized by December 2024, follows approval from the Competition Authority of Kenya, which determined that the deal would not affect market competition.
12-Aug-24	FMO	Fido Solutions Limited	10	Financial Services	DFI - VC	Uganda	Dutch development finance institution FMO has approved a USD 10 million equity investment in FIDO Solutions' Series B round. FIDO, a digital lender in Ghana and Uganda, offers short-term credit and other financial products to individuals and small businesses. This funding aims to boost FIDO's loan portfolio in its current markets and facilitate expansion into new African countries.
15-Aug-24	Oxfam Novib and Goodwell Investments	Gaea Foods Limited	Undisclosed	Agribusiness	PE - VC	Kenya	Pepea, an impact investment fund from Oxfam Novib managed by Goodwell Investments, announced its first-ever investment in Gaea Foods Limited, a potato-processing company targeting the B2B market, based in Nairobi, Kenya. The fund invested in Gaea in the form of venture debt, providing working capital to allow the company to better meet demand from new and existing customers.
22-Aug-24	Norfund	Kim-Fay East Africa Limited	Undisclosed	Manufacturing	DFI	Kenya	I&M Burbidge Capital advised Kim-Fay, a leading East African manufacturer and distributor of hygiene, tissue, and home care products, as the company secured funding from the Norwegian Investment Fund for Developing Countries (Norfund) and I&M Bank for its new facility at Tatu City. This financing will support Kim-Fay's business expansion, focusing on providing affordable tissue paper to lower-income market segments. The funds will be directed towards constructing a recycled paper manufacturing facility at Tatu City, using locally sourced wastepaper. The new facility is expected to be operational by 2025.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
26-Aug-24	Untapped Global	ElimuTab	Undisclosed	Education	PE	Kenya	Untapped Global, a leading impact investment firm, announced a strategic investment in ElimuTab, a Kenyan educational technology startup. Founded in 2022 by entrepreneurs Anthony Kahinga and Grace Wairimu, ElimuTab is revolutionizing the educational experience for students in Kenya with its innovative approach to learning.
26-Aug-24	Norrskén22 and Other Investors	Workpay Africa Limited	5	Professional and Other Services	VC	Kenya	Workpay Africa Limited raised USD 5m in a Series A funding round led by Norrskén22. Other backers include Visa, Y Combinator, Saviu Ventures, Axian, Plug n Play, Verod-Kepple Africa Ventures and Acadian Ventures, a venture firm which specialises in investment into the next generation of work technologies.
29-Aug-24	AHL Venture Partners, Everstrong Capital and Beyond Capital Ventures	Ampersand	2	Automotive	PE - VC	Rwanda	Ampersand, a Rwanda-based electric transport energy company, secured an additional USD 2 million following last year's USD 19.5 million in equity and debt funding. Africa-focused growth partnership fund, AHL Venture Partners, and American infrastructure fund manager, Everstrong Capital, backed the e-mobility transport with new funding while Beyond Capital ventures further invested. The company will use this investment, which comes ahead of the Series B round, to expand the roll-out of EV energy technology and infrastructure to the mass market.

DISCLAIMER

This document has been prepared on the basis of information and forecasts in the public domain. None of the information on which the document is based has been independently verified by *I&M Burbidge Capital Limited* nor its affiliate bodies and associates, who do not take responsibility for the content thereof and do not accept any liability with respect to the accuracy or completeness, or in relation to the use by any recipient of the information, projections, opinions contained in this document.

This document is purely for information purposes only and should not be relied upon to make any investment decisions or any other decisions. Any liability is disclaimed, including incidental or consequential damages arising from error or omission in this document.



About I&M Burbidge Capital

I&M Burbidge Capital Limited is a corporate finance firm creating long term advisory relationships & solutions across Eastern Africa.

Our Services

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

You are the best at what you do! Let us tell the market

We have a select distribution to pension funds, private equity funds, financial services players, industry leaders, investment and wealth managers, regulators and administrators, as well as senior government officials. By advertising with us, you gain access to a premium class of potential business partners and clients. To advertise with us, send an email with the subject “I&M Burbidge Capital Financial Review” to Aayush.shah@imburbidgecapital.com with a copy to kevin.kuria@imburbidgecapital.com.

Head Office

3rd Floor, 1 Park Avenue
1st Parklands Avenue, Parklands
P.O. Box 51525-00100
Nairobi, Kenya
Tel: +254 (0) 719 088 160

Kampala Office

Kingdom Kampala
Nile Avenue
P.O. Box 3072
Kampala, Uganda

Editorial Team

 **EDWARD BURBIDGE, CEO**
 Edward.Burbidge@imburbidgecapital.com

 **KEVIN KURIA, Senior VP**
 Kevin.Kuria@imburbidgecapital.com

 **AAYUSH SHAH, Analyst**
 Aayush.Shah@imburbidgecapital.com