



i&M BurbidgeCapital

ANNUAL EAST AFRICA FINANCIAL REVIEW

of 2019



Sponsorship Partners





2019 in Numbers



Deal of the Year:

USD 48.5 million Green Bond raised by Acorn Holdings for sustainable real estate developments.

110

The number of disclosed deals in EA

c. 1.74 BN



The total value of all disclosed corporate deals in EA in USD

\$12M

The median size of deals in EA

The most important quality for an investor is temperament, not intellect.'

~Warren Buffet

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The Editorial Team

EDWARD BURBIDGE | KEVIN KURIA

2019 presented mixed fortunes for the East African region. Improvement in growth was witnessed in Uganda and Tanzania whilst Rwanda and Kenya recorded slight declines in growth. Globally, increased trade and geopolitical tensions led to the slowest rate of global economic growth since the Global Financial Crisis.

Mixed market performance was recorded over the year in the Nairobi bourse with the NASI finishing with overall growth of 18.5%. Whilst performance was subdued in the first three quarters of the year, the repeal of the interest rate cap law reignited investor confidence and led to a rally in banking stocks that lifted overall market performance. Performance in Ugandan markets was also robust with the ALSIUG gaining 8.9% on the back of positive economic developments and sustained development of the oil & gas agenda. The DSEI lost ground ending the year with a 700 bp decline. Market performance is further detailed on [page 12](#).

In the East African private capital markets, the total disclosed deal value decreased yet again from USD 3.15 billion in 2018 to USD 1.74 billion in 2019. The overall median deal value was up 50% to USD 12 million from 2018's USD 8 million. The decline was recorded mainly in M&A activity, as business owners weathered the challenging economic conditions by concentrating their efforts into the consolidation of their business interests, shunning expansion as well as waiting for improved economic conditions to realise better valuations. Private equity activity, however, was robust with the number and value of deals up 37.3% and 6.5% respectively; an indication of the tremendous amount of liquidity available for investment from private capital investors. A further deepdive is presented from [page 5](#).

We hold a positive outlook for 2020 across the region. In Kenya, expected acceleration in private sector credit growth, building on Q42019 expansion, is expected to be a key driver of private sector investment and economic growth. Public investment in Rwanda and Uganda are will be central to those economies' growth in 2020. Economic reforms in Ethiopia and Tanzania are expected to attract foreign investment and spur growth.

2019 AT I&M BURBIDGE CAPITAL LIMITED

Despite a challenging business environment, 2019 was yet another year of robust deal making at I&M Burbidge Capital. We continued to deliver on our promise to provide high quality advisory services to our clients and closed 7 transactions across 6 sectors with both financial and multinational strategic investors during the year.













The hard work and determination put in by the team earned us the coveted Financial Advisor of the Year award at the Annual East Africa Venture Capital and Private Equity Association (EAVCA) Awards in December and a first Runners Up Award in the M&A category at the Deal Makers Africa Awards earlier in the year.

Events & Publications

In June, we hosted the second edition of our Capital Raising Seminar in conjunction with the ISBI Institute at Strathmore. The seminar was well attended with the audience being constituted of business owners and C-Suite executives from mid and large sized businesses from all the major sectors in the region.

We plan to extend this valuable engagement with business owners in 2020 with the next edition scheduled for Q2 2020.

2019 Completed Transactions - 7

 <p>Colourprint Ltd & Printfast (K) Ltd</p> <p>Merger with The Print Exchange Ltd</p> <p>2019</p> <p>Transaction Advisor</p> 	 <p>Capital Raise</p> <p>2019</p> <p>Transaction Advisor</p> 	 <p>Capital Raise & Partial Sale</p> <p>2019</p> <p>Transaction Advisor</p> 	<p>Confidential Transaction</p> <p>Leading Logistics Technology Business</p> <p>Completed Sale</p> <p>2019</p> <p>Transaction Advisor</p> 
 <p>Capital Raise</p> <p>2019</p> <p>Transaction Advisor</p> 	 <p>Completed Acquisition of Nova Insurance</p> <p>2019</p> <p>Transaction Advisor</p> 	<p>Confidential Transaction</p> <p>Tier I Financial Services Group</p> <p>Private Bond</p> <p>2019</p> <p>Transaction Advisor</p> 	

Awards & Events

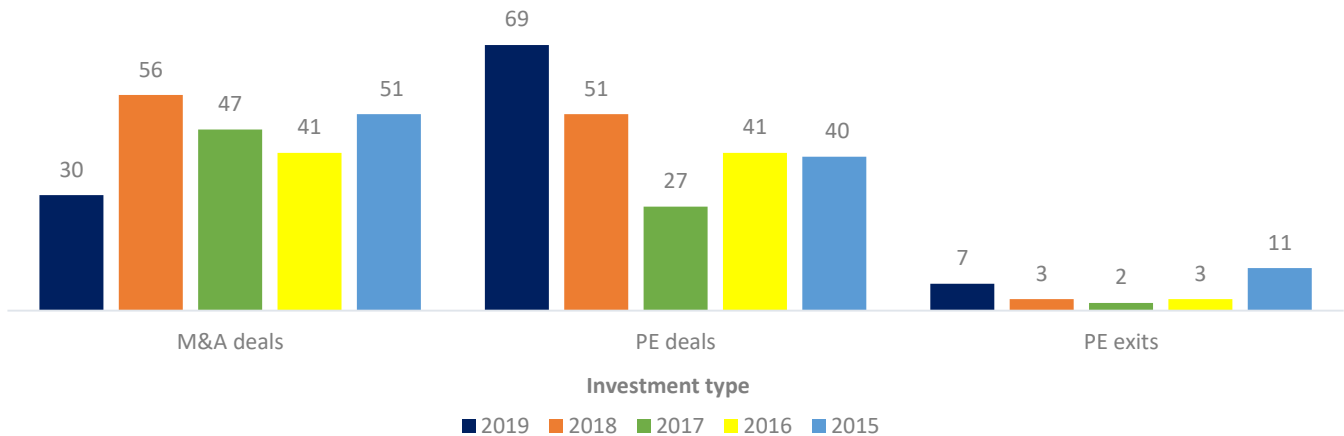


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**TRANSACTIONS
LANDSCAPE IN 2019**

PE AND M&A DEALS

TOTAL NUMBER OF REPORTED PE AND M&A DEALS IN EAST AFRICA: 2015 - 2019



Source: Thomson Reuters data, IMBC Research

Private Equity and Venture Capital Activity in Brief

2019 was a robust year for private equity and venture capital activity, building on the growth witnessed in 2018. In total, there were 76 PE & VC transactions with a disclosed deal value of USD 951.2 and a median deal value of USD 10.0 million. 69 of these transactions were investment deals (+37.3% from 2018) with a disclosed deal value of USD 746.5 million (+6.5% from 2018) and a median deal value of USD 10.0 million (excluding early stage investments*), up from USD 8 million in 2018. This marks the first time in the last 5 years that the volume of PE and VC transactions has eclipsed M&A transactions, doing so by 180.0% and with a similar total disclosed transaction value. This, we believe, is an indicator of the significant liquidity currently available for private capital investment.

Of the 69 investment deals recorded, 9 transactions - with a disclosed deal value of USD 121.7 million and a median deal value of USD 10 million - were led by development finance institutions (DFIs). Additionally, there were 10 early stage investments with a total disclosed deal value of USD 6.8 million and a median deal value of USD 0.6 million. Exit activity was also robust with 7 exits, whose disclosed deal value clocked in at USD 220.2 million, up from 3 in 2018 with none of the values being disclosed. Notable transactions recorded during the year included AfricInvest and Catalyst Principal Partners' USD 50 million investment into Prime bank Limited, the USD 29.75 million Goldman Sachs led Series B investment into Twiga Foods and Centum Investment Company's USD 193 million exit from Almasi Beverages.

The highest volume of investment deals was done in the agriculture sector with 13 PE deals. Other sectors that had significant deal activity were the financial services and the ICT sectors with 12 and 10 deals respectively. The FMCG, healthcare and education sectors recorded 7, 5 and 4 PE investments respectively. Exits were largely completed to trade buyers, taking up 5 of the exits. The financial services and FMCG sectors recorded 2 exits each whilst the ICT, education and logistics sectors recorded one exit each. Whilst more robust than recent years, exit activity still has not caught up with the stellar performance in 2015, which can primarily be attributed to the challenging economic conditions between 2016 and 2019 which have depressed company EBITDAs, and subsequently, valuations.

We expect to see increased PE activity in 2020 with a particular focus on exits, as a significant number of investments reach maturity.

*Defined as transactions with a value lower than USD 1.5 million for the purpose of this document.

PE AND M&A DEALS

M&A Activity in Brief

- Trade player M&A activity was somewhat dampened in 2019 with just 30 transactions (-46.4% from 2018) having been recorded, with a total disclosed deal value of USD 746.5 million (-65.9% from 2018) and a median deal value of USD 20.5 million from 10 transactions whose values were disclosed. The decline in performance is attributable to the challenging economic conditions that prevailed during the year, particularly in Kenya. We believe that the repeal of the rate cap law is likely to improve business conditions and confidence spurring increased M&A activity in 2020.
- The financial services sector had the highest number of disclosed transactions at 9, and was followed by the healthcare and manufacturing sectors, each of which had 3 disclosed transactions. 5 of the M&A transactions were also private equity exits.

The law firm that speaks your language

We understand the issues that impact our clients and provide the advice to address them – be it local or a cross-border merger, acquisition or private equity investment.

For more information about our Private Equity and Merger and Acquisitions offering, get in touch with:



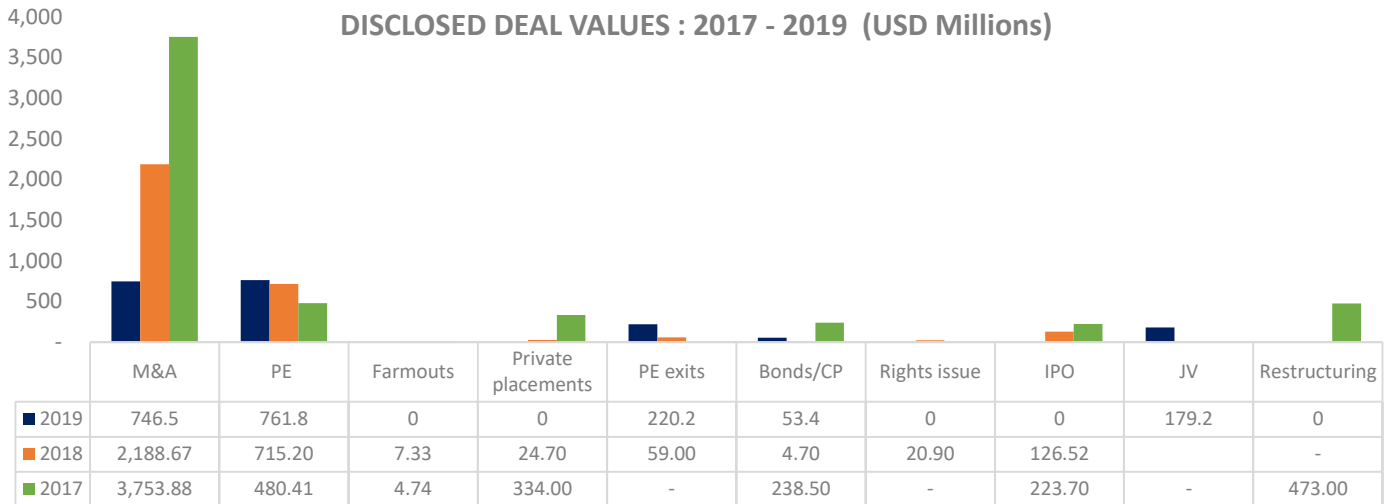
David Lekeraï
dlekerai@ikm.co.ke

James Kamau
jkamau@ikm.co.ke



DEAL STATISTICS I

DISCLOSED DEAL VALUES : 2017 - 2019 (USD Millions)



Source: Thomson Reuters data



Global expertise

Local knowledge

Enriching the lives of our people and of those we serve through our entrepreneurial and innovative global brand

Kenya • Uganda • Tanzania • Rwanda

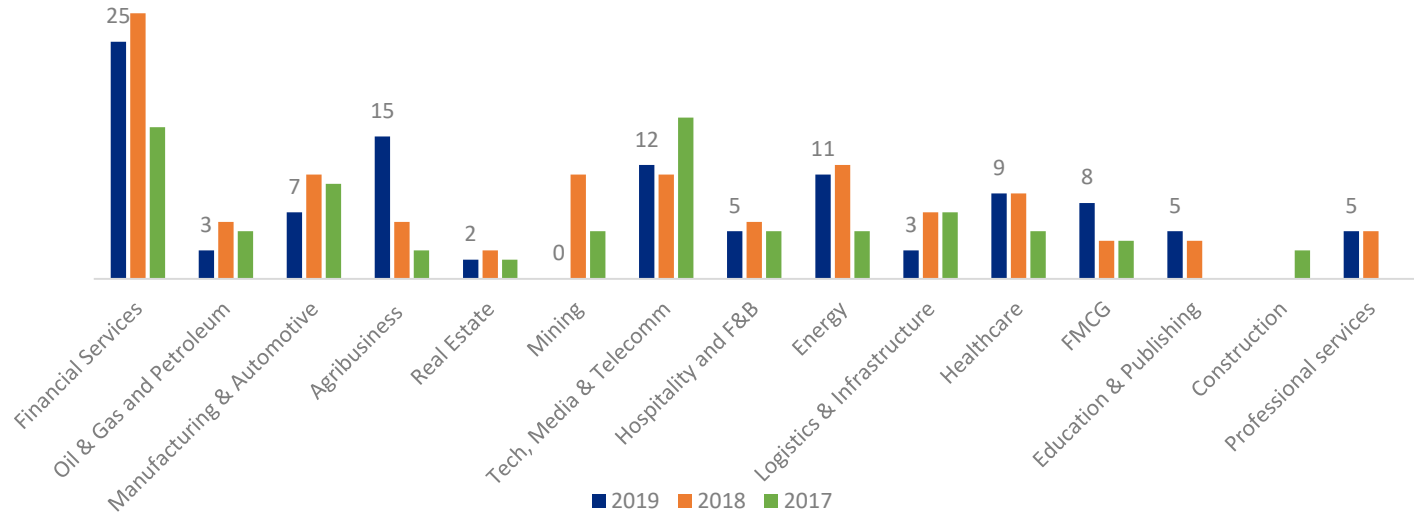


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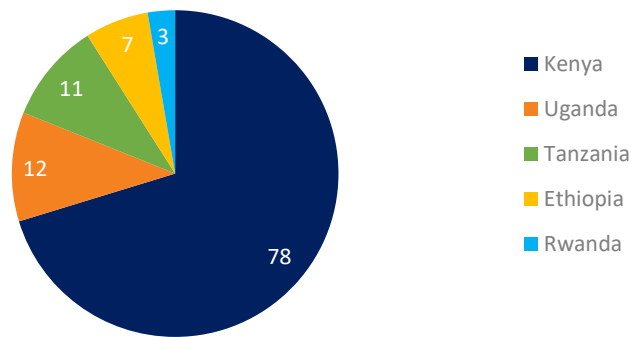
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DEAL STATISTICS II

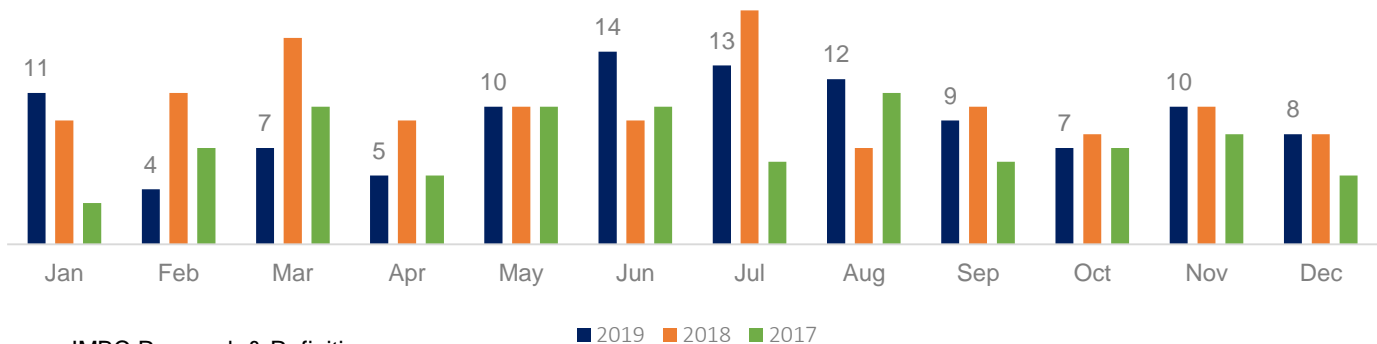
DEALS PER SECTOR: 2017 - 2019



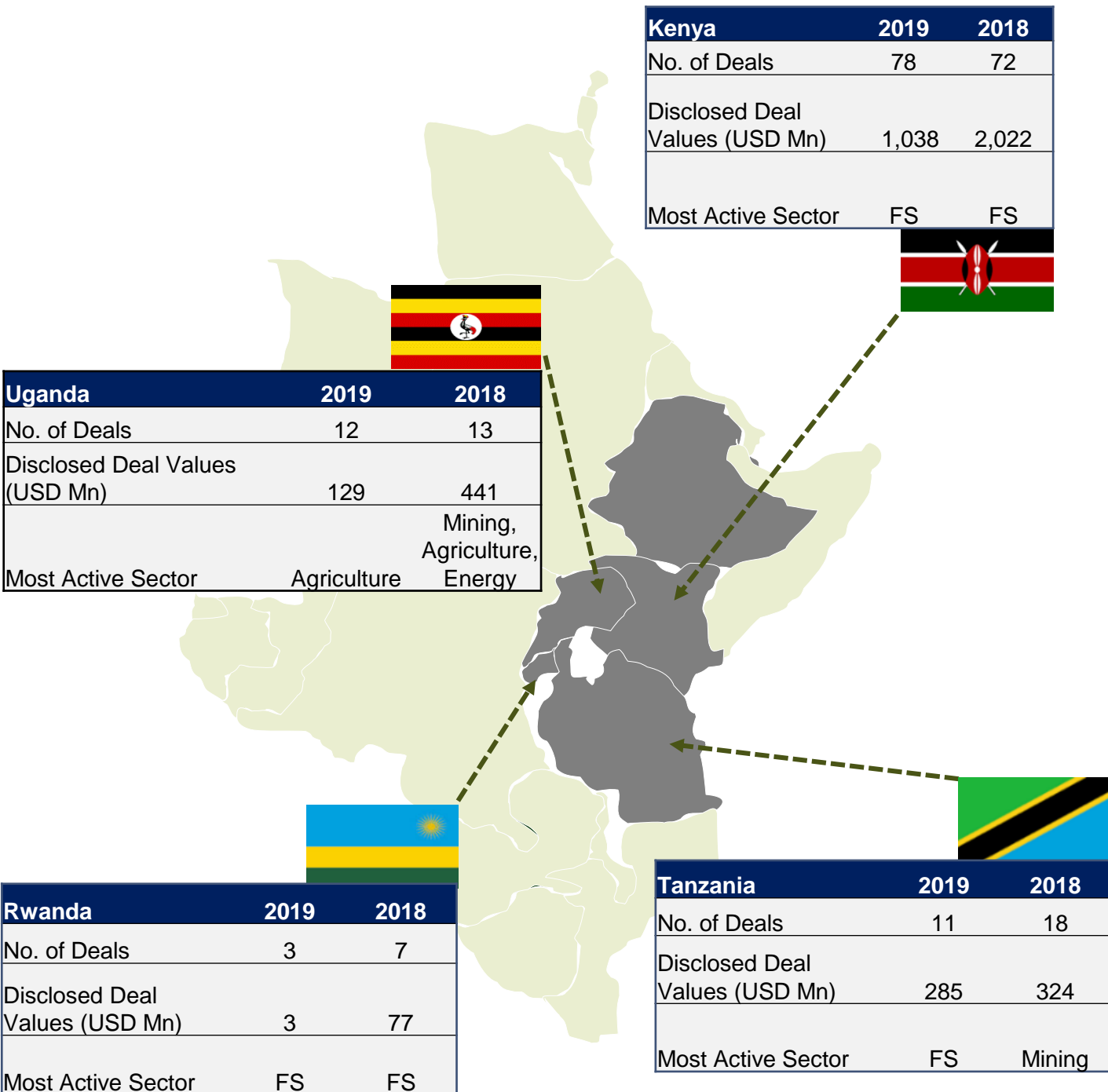
NUMBER OF DEALS PER COUNTRY: 2019



NUMBER OF DEALS PER MONTH: 2017 - 2019



DEAL STATISTICS III



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KEY MARKET INDICATORS

KENYA SHILLING PERFORMANCE IN BRIEF



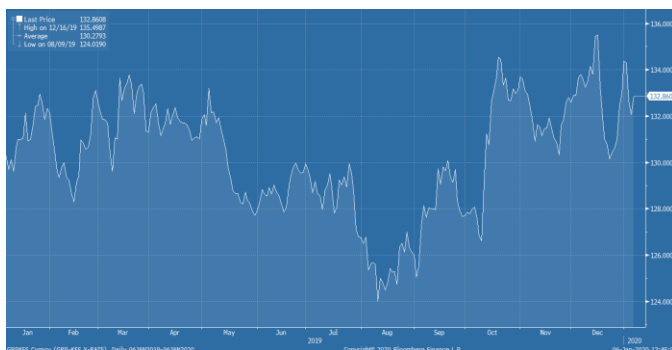
Henry M. Kirimania
General Manager, Treasury, I&M Bank Limited
hkirimania@imbank.co.ke

USD/KES

- The market opened in January 2019 at a USD/KES exchange rate of \$1 = 102.00
- In Mid March 2019, the KES rallied to a strong level of \$1 = KES 99.80 on the back of the KenolKobil / takeover by Rubis Energie, a transaction that was said to be in excess of \$200 million.
- In July 2019, the KES depreciated to a low of \$1= KES 104.20 largely driven by offshore investors dividend repatriations.
- By close of year 2019, the Kenya shilling had corrected back to \$1= KES. 101.00 spurred by investor inflows into Nairobi Securities Exchange after the repeal of the rate cap.



Source: Bloomberg, I&M Bank Research



Source: Bloomberg, I&M Bank Research

GBP/KES

- The pound Sterling was clearly the most volatile currency across all major and local currencies due to the Brexit turbulence.
- In January 2019 the Pound Sterling was pricing at GBP1 = KES 130.00 and sunk to 124.00 before recovering to close the year at 132.90 following fresh elections in the UK.
- During the year 2019, the oscillations in the GBP were the widest and most unpredictable, mainly out of Brexit negotiations, unexpected resignation of the Prime Minister Theresa May and a snap election won by the current Prime Minister Boris Johnson.

Table 3: Official Usable Foreign Exchange Reserves

	28-Nov-19	05-Dec-19	11-Dec-19	19-Dec-19	24-Dec-19	02-Jan-20
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,748	8,752	8,815	8,898	8,848	8,758
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	5.43	5.43	5.42	5.47	5.44	5.39

*Based on 36 months average of imports of goods and non-factor services.

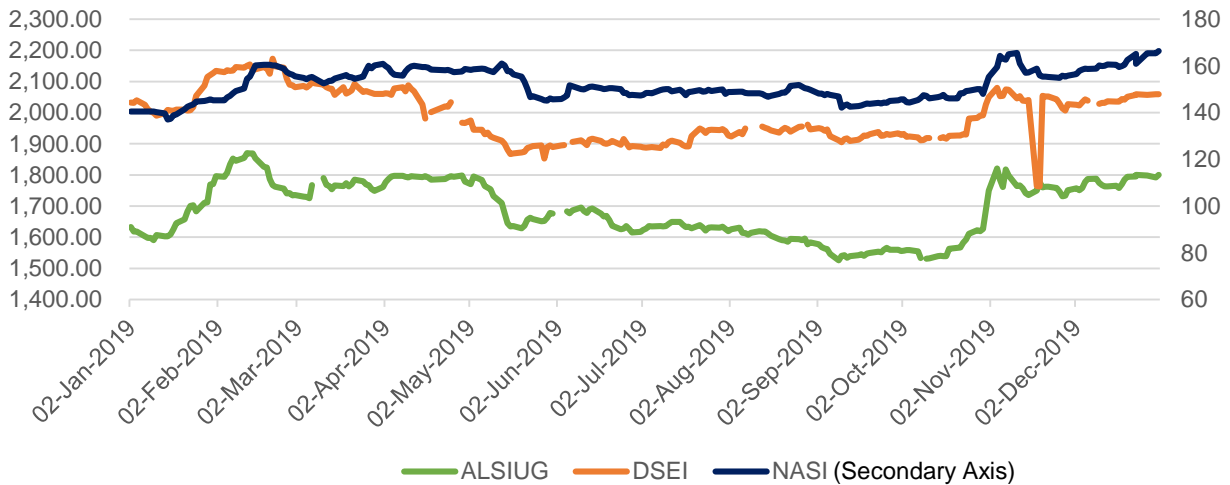
Source: Central Bank of Kenya, I&M Bank Research

Kenya Foreign Exchange Reserves

The CBK usable foreign exchange reserves remained adequate all year round at and closed the year at USD 8,758 million (5.4 months of import cover) as at January 2 2020. This meets the statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover.

KEY MARKET INDICATORS I

ALSIUG, DSEI & NASI



Source: Thomson Reuters data

Performance of the Nairobi Securities Exchange

- The NSE recorded mixed performance in 2019. Whilst the NASI and NSE 25 were up 18.5% and 15.5% for the year, the NSE 20 closed the year down by 6.3%. Performance in Q1 was robust with the NASI, NSE 20 and NSE 25 all up 12.3%, 0.4% and 10.8% respectively. However, market performance across the three indices was in the red during Q2 and Q3 with a turn around only coming in Q4 following the repeal of the rate cap law which then led to a rally in banking stocks. Turnover declined 12% during the year to close at USD 1.5 billion from USD 1.7 billion in 2018. Foreign investor flow reversed a 2 year capital flight trend to post USD 18.47 million in positive flows for the year (USD -286 million in 2018).
- At the individual stock level, Sameer Africa, Equity Bank, LongHorn Kenya, KCB and Safaricom were the top gainers recording 86.5%, 53.5%, 46.6%, 44.2% and 41.9% in gains respectively. Kenya Airways, Uchumi Supermarkets and Mumias Sugar Co were the top losers recording 77.0%, 63.8% and 53.4% in losses respectively.

Regional Markets Performance

- Regionally the DSE All Share Index declined by 7.0% whilst the USE All share index was up by 8.9%. Government policy continues to be a significant factor for capital markets in the region with the DSEI having declined by nearly a third in the last 5 years.
- Further afield, the all share indices for the Nigerian and South African bourse recorded -14.3% and +11.0% in performance respectively.

Key Market Developments

- Key market developments in 2019 included the following:
 - Repeal of the Rate Cap in Q4;
 - Partial demonetisation in Q4;
 - Launch of the derivatives market - NEXT - on the bourse; and
 - The consolidation of NIC Bank and CBA Bank, coupled with the delisting of KenolKobil following the successful takeover by Rubis Energie.

KEY MARKET INDICATORS II

Key Africa and Global Equity Indices Performance

Equity Index	December 2018	2019 Year Low	2019 Year High	December 2019	% change
NSE 20	2,833.80	2,419.67	3,070.33	2,654.39	-6.3324%
FTSE NSE Kenya 25	176.8	273.92	382.39	381.34	35.626%
NSE ALL SHARE	140.4	137.03	166.41	166.41	18.5185%
DSEI(TZ)	2,041.40			2,059.21	0.8724%
ALSIUG	1,649.40	1,869.69	1,525.46	1,800.72	9.1749%
NGSEINDEX	31,430.50	32,958.96	26,018.13	26,842.07	-14.5987%
EGX 30	13,035.80	15,321.23	12,944.8	13,961.56	7.1019%
JALSH(SA)	52,736.90	59,544.8	50,907.45	57,084.1	8.2433%
NYSE	11,374.40	13,978.61	11,169.46	13,913.03	22.3189%
FTSE 100	6,728.10	7,727.49	6,599.48	7,542.44	12.1031%
S&P 500	2,506.90	3,247.93	2,443.96	3,230.78	28.8781%

Source: Thomson Reuters data

Central Bank Rates

Country/Region	Dec 2018	Dec 2019	Ch. y/y (bps)
Central Bank of Kenya (Kenya)	9.00%	8.50%	-0.50%
Bank of Uganda (Uganda)	10.00%	9.00%	-1.00%
Bank of Tanzania (Tanzania)	7.00%	7.00%	0.00%
South African Reserve Bank (RSA)	6.75%	6.50%	-0.25%
Central Bank of Nigeria (Nigeria)	14.00%	13.50%	-0.50%
Central Bank of Egypt (Egypt)	16.75%	12.25%	-4.50%
Bank of England (UK)	0.75%	0.75%	0.00%
Federal Reserve Bank (USA)	2.50%	1.75%	-0.75%
European Central Bank (EU)	0.00%	0.00%	0.00%

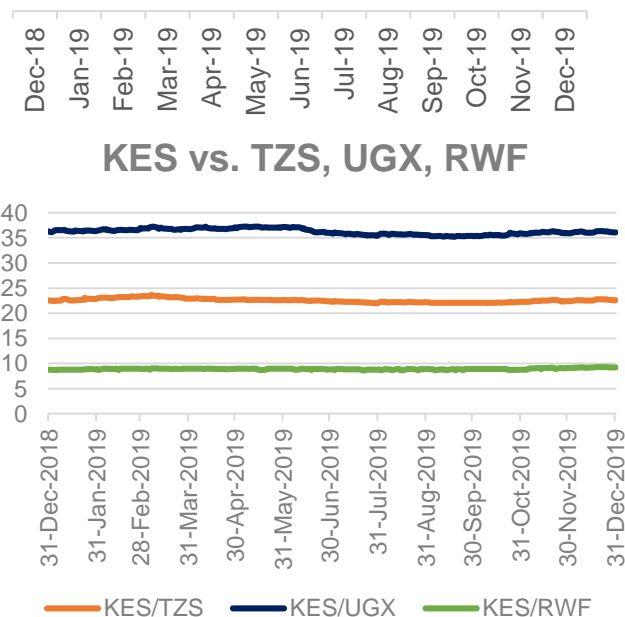
Source: Thomson Reuters data

Key Africa and Global Currency Performance

Currency	Dec 2018	Dec 2019	% Ch. y/y
KES/USD	101.80	101.25	0.54%
TZS/USD	2,295.00	2293.00	0.09%
UGX/USD	3,699.30	3660.00	1.05%
RWF/USD	892.24	936.41	-4.95%
ETB/USD	27.92	31.84	-14.04%
ZAR/USD	14.35	13.99	2.51%
NGN/USD	307.00	306.00	0.33%
EGP/USD	17.86	16.00	10.41%
USD/GBP	1.28	1.32	-3.13%
EUR/USD	1.15	1.12	2.61%

Source: Thomson Reuters data

KENYA QUARTERLY INFLATION 2019



Source: Thomson Reuters data

Interview with Seema Dhanani, Head of Office & Coverage Director, CDC



Seema joined CDC in November 2019 to head up the newly established Nairobi Office, leading the business from both a strategic and operational perspective. Prior to CDC, Seema was the Chief Representative Officer for East & West Africa at Mauritius Commercial Bank responsible for governance and strategic client coverage.

Seema moved to Nairobi in 2011 with Standard Chartered Bank as Head of Private Clients and Executive Director for Strategic Promoter Initiatives, East Africa, where she led the offshore business initiatives across the region, deepening engagement with promoter families. Prior to this, she spent 12 years working for Standard Chartered in London as a founding member of an \$18bn leveraged credit fund and Head of Directorate for the Group CEO.

Seema is a CFA Charterholder and has a BA in Law & Business Studies from the University of Warwick, United Kingdom. She is married to a local entrepreneur and is a mother of two children.

CDC has significant investments in the East African region, through investments in private equity funds and direct investments, with the latter increasingly becoming more prominent. Which sectors do you see performing exceptionally in 2020? What will be the drivers of growth across the region in 2020?

CDC provides capital to the region in three broad ways; direct equity, intermediated equity and debt. We also work in partnership with other DFIs to complement existing transactions. The markets we operate in have always been challenging and I don't see 2020 as any exception. However, East Africa in the wider African context is faring well with growth rates in Kenya expected to pick up to 5.9% and in Rwanda and Tanzania to remain on par with 2019 at approximately 8.2% and 6.6% respectively. One of the critical drivers across the region will continue to be the service sector, with Ethiopia and Rwanda driven in addition by industry. In Kenya and Tanzania agriculture will likewise play a significant role on the supply side. Uganda is also looking more positive this year led by constructive movements in their oil agenda.

We are seeing increased awareness of alternative investment instruments beyond straight debt and equity among business owners in the region with many taking an interest in mezzanine capital. However, current offerings are largely skewed to the debt side of the spectrum. Do you see mezzanine capital evolving into a more flexible equity like offering?

It has taken some time for our markets to move away from vanilla financing structures however, we are seeing an increased willingness to consider alternatives. DFI's have conventionally been limited to providing debt facilities however at CDC we hold the view that the region needs more equity and we are particularly conscious that the structure and form of that equity may well need to vary according to the sector in question. For example, in the agricultural space traditional debt does not bode well where the gestation period for perennial crops can be as long as 5-7 years, businesses are smaller and face greater volatility in cash flow, yields, commodity prices amongst many other variables. For such reasons we do see the gradual emergence of mezzanine capital evolving into equity albeit on a sector specific basis.

Interview with Seema Dhanani, Head of Office & Coverage Director, CDC

Private equity investment in the East African region remains steady with equity investments taking the largest share of total deal volume so far in 2019. What do you see being the most likely exit route for current investments and why?

Despite its growth, the Private Equity market across the continent remains challenging driven by subdued performance, macro-economic challenges and in some cases, inflated entry valuations leading to difficulties with exits particularly at valuations that provide strong returns to investors. Exits through IPOs are limited given the relative size and inactivity of public markets, hence we see the majority of exits tend to be to strategic players or other Private Equity firms. Over the last five years, IPOs have represented less than 5% of all exits in Africa on average, while trade buyers and PE have represented circa two-thirds. We therefore expect to continue to see a mix of exit routes across the market as fund managers seek appropriate returns.

The private equity model used in Africa is largely a mirror version of the structure employed in more developed markets. There has been debate on whether this structure, 10+1+1 and the implied 5-year investment period, provide enough time to generate outstanding returns. Do you see any motivation amongst Limited Partners such as yourself to introduce more flexibility to this model and increase investment holding periods?

CDC has thought a lot about alternative structures and timelines, each of which brings benefits and challenges. The exit discipline brought by the traditional fund structure is important and the traditional structure is well understood from a risks and mitigants perspective. We are open minded in considering alternatives that deal in an effective way with the specific challenges some of our managers face.

Having said that, new structures and timelines are not a panacea for the shortcomings of the traditional structure and such adjustments must be considered carefully in the context of the underlying investment strategy and its associated risks. We would consider longer term funds for strategies such as infrastructure as well as certain SME funds that operate in difficult sectors such as agriculture or perhaps harder geographical markets including fragile and conflict affected states. We do have to be mindful that where structures and timelines are adjusted, fundraising can become more challenging given other investors may not be as broad minded.

Congratulations on your recent appointment to head CDC's Nairobi office, which has established as the headquarters for Africa. How symbolic is this development particularly given the CDC's role in the UK's ambition to become the top G7 investor in Africa by 2022?

Many thanks. My appointment alongside that of my colleague Benson Adenuga in Nigeria certainly helps to advance and accelerate CDC's existing commitment to the continent, creating impact that directly contributes towards the UN Sustainable Development goals. Just this week at the UK-Africa Investment Summit taking place in London, CDC unveiled \$400m of new agreements to support entrepreneurs and SMEs and announced that it would be committing a further GBP2bn into African businesses over the next two years. It is worth noting that CDC has invested for impact in Africa for over 70 years with investments in over 700 companies.

Interview with Seema Dhanani, Head of Office & Coverage Director, CDC

Enterprise ownership, particularly for well-established industrial operations, is largely in the hands of promoter families. CDC, and yourself in previous roles, have extensive experience working with these promoters across the East African region. What are the key factors that you believe drive success and longevity for family owned companies in East Africa?

Family businesses are the life blood of most economies; and they are even more prevalent in our markets. We are very conscious at CDC that only a small minority of highly successful family businesses have thrived through several generations and we aim to play a pivotal role in assisting our investee companies to navigate through issues of governance, succession, strategy and corporate structure as well as provide guidance on environmental and social responsibility. Having worked across numerous family businesses in the region, the nuances of each family allow for a variety of approaches. My top three mechanisms would be as follows:

- 1) Creation of structures around the family and separately the business that allow them to co-exist – this may require establishing a family constitution, council or charter that can tie into the corporate's board or holding company albeit with a degree of separation;
- 2) Professionalism around ownership, roles and succession – clarity around ownership, a clear definition of roles and openly communicated succession plans will help to minimise potential future disruption;
- 3) Alignment of personal and professional goals and values – these need to be openly communicated and discussed to reach a common purpose and vision. This type of common bond and understanding is what is so unique about family business making them difficult to rival.

What is your favourite thing about living in Nairobi?

Nairobi has a distinct charm, I arrived on an assignment for three years and now, close to nine years later, I take pride in calling it my home. Perhaps what never fails to amaze me is the incredible entrepreneurial spirit I find within the culture of its people. You'll find a different hustle on every street corner and if you come back in six months you'll be lucky to recognise it. The constant evolution of the city keeps me enthralled!

3

ECONOMIC OUTLOOK

ECONOMIC REVIEW & OUTLOOK

KENYA



Macro Environment

According to the World Bank, Kenya's economy is estimated to have expanded by 5.8% in 2019 down from 5.9% in 2018 with the slight slowdown being attributed to challenging economic conditions including delayed rains, liquidity challenges and poor agricultural production. Whilst the decline in growth was slight, business confidence was unsteady. Anecdotal evidence from our interactions with mid and large sized business executives shows that most business owners were hesitant to commit to expansion investment during the year, focussing instead on consolidating their businesses.

In the medium term, GDP is expected to grow by 5.9% and 6.0% in 2020 and 2021, respectively, spurred by private consumption, accelerated industrial activity and strong performance of the services sector. Continued government investment in the Big 4 agenda, effects of the repeal of the interest rate cap and improved business sentiment are expected to be significant themes over the medium term.

Monetary Policy

Average inflation in 2019 rose to 5.2% from 4.7% in 2018. Price increases were occasioned by higher food prices in the first half of the year which resulted from poor agricultural production whilst increases in fuel prices toward the end of the year counteracted the positive effects of the increased rainfall and subsequent improvement in agricultural production.

The MPC reduced the Central Bank Rate by 50 basis points to 8.5% in November balancing the tightening of fiscal policy and the maintenance of inflationary pressure within the bank's target range.

The Kenya Shilling traded at an average of 101.9 against the US dollar during the year, closing out the decade at 101.3, having appreciated 0.5% against the greenback during the year.

Balance of Payments: Strengthening

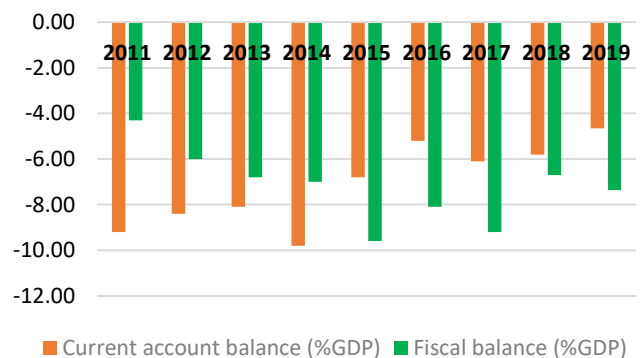
By the end of October 2019, the balance of payments deficit stood at 108 billion shillings. This is a general upward trend in the deficit.

Fiscal Policy

Kenya raised its budget-deficit forecast twice in less than two months in 2019 as the government weighed spending cuts. According to Bloomberg, the gap for the year through to June was forecast at 6.2% of gross domestic product while the treasury reported 5.9% in September. This was reflective of Treasury's failure to meet revenue targets.

Government seeks to reduce the deficit to 5.3% by implementing measures that curb spending on travel, printing and advertising. Moreover, The National Assembly approved a new debt ceiling of 9 trillion shillings, allowing the government to increase borrowing to levels that would nearly match the size of the economy.

C/A and FISCAL DEFICIT



ECONOMIC REVIEW & OUTLOOK

Key Economic Statistics - Kenya	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020F
Consumer inflation (% ch.)	18.90	3.20	7.10	6.00	8.00	6.30	8.02	4.60	5.61	5.31
Policy interest rate (%)	18.00	11.00	8.50	8.50	11.50	10.00	10.00	9.00	8.50	8.50
KES/USD	85.07	86.029	86.31	90.60	102.31	102.49	103.10	101.30	101.18	103.00
Real GDP growth (%)	6.10	4.60	5.70	5.30	5.70	5.80	4.90	5.90	5.60	6.05
Current account balance (%GDP)	-9.20	-8.40	-8.10	-9.80	-6.80	-5.20	-6.10	-5.80	-4.66	-4.63
Fiscal balance (%GDP)	-4.30	-6.00	-6.80	-7.00	-9.60	-8.10	-9.20	-6.70	-7.36	-6.64

Source: Thomson Reuters data

Economic Outlook

Projections from the World Bank forecast 6.0% and 5.8% GDP growth in 2020 and 2021 predicated on favourable weather conditions, sustained fiscal consolidation and limited spill-over effects from an anticipated global slowdown. Favourable weather conditions are expected to spur growth in the agriculture sector by 4.6% whilst industry is expected to expand by 5.6%. The services sector is projected to continue growing at an average of 6.6 percent over the medium term.

The macroeconomic environment is expected to remain stable, with lower inflation and a manageable current account deficit. However, partially mitigating growth prospects is the drag from fiscal consolidation and sub-optimal private sector credit growth and related weak private investment.

The repeal of interest rate caps is a welcome development, which accompanied by complementary banking sector reforms, is expected to increase the availability of credit to the private sector and spur investment and private consumption.

ECONOMIC REVIEW & OUTLOOK

UGANDA



Macro Environment

According to the Bank of Uganda's (BoU) State of The Economy Report December 2019, the Ugandan economy is estimated to have grown by 6.5 percent during the Fiscal Year (FY) 2018/19, which is above the FY2017/18 growth rate of 6.1 percent. Growth, mainly witnessed in Q3 and Q4, is attributed to stronger investment and higher demand for goods and services, favorable weather conditions and strengthened credit.

Monetary Policy

According to the report, inflation remained subdued largely on account of a relatively stronger exchange rate, benign domestic demand conditions, favourable weather conditions for the first half of the 2019 leading to low food prices and weak global inflation. Nonetheless, the annual headline and core inflation edged up slightly to 3.0 and 2.9 per cent in November 2019 from 2.5 and 2.6 percent in October 2019, respectively. The rise in headline inflation was on account of continued rise in the energy fuel and utilities and food crop prices.

Moreover, the easing of monetary policy in October 2019, and the long and variable lags in the monetary policy transmission mechanism, led the BoU to maintain the CBR at 9 percent in December 2019.

Balance of Payments

The overall balance of payments position weakened in the 12 months to October 2019. The current account deficit increased by 45.1 percent to US\$3,290.2 million, largely driven by higher private sector imports that grew by US\$801.9 million during the year.

The trade deficit rose by 21.7 percent to US\$ 2,783.9 million, largely on account of the US\$850.2 million increase in the import bill that surpassed the US\$352.9 million growth in exports receipts.

The Uganda shilling remained relatively stable with an appreciation trend against the US Dollar despite the strengthening of the US Dollar against major international currencies. In the three months to November, the shilling appreciated by 0.5 percent compared to the previous quarter.

Fiscal Policy

The fiscal deficit widened to an estimated 6.9% in 2019, driven largely by ongoing public infrastructure investments supported by borrowing from both external and domestic sources. The country's debt-to-GDP ratio was estimated at 42.2% in 2019, with external debt at 29.9% of GDP. In spite of the increases in debt levels, Uganda remains at a low risk for debt distress.

Economic Outlook

According to the World Bank Global Economic Prospect 2020, Uganda is among some of the countries in Sub-Saharan Africa that should register relatively strong growth during the year. This growth is expected to be supported by sustained infrastructure spending, combined with increased private sector activity. Sub-Saharan Africa is expected to pick up 2.9 per cent GDP growth versus the 6.5 per cent for Uganda.

ECONOMIC REVIEW & OUTLOOK

Annual core inflation and headline inflation are projected to remain at or below 5 percent in the near term.

RWANDA



Macro Environment

According to the World Bank, Rwanda's economy is estimated to have expanded by 8.5% in 2019 slightly slower than the 8.6% growth witnessed in 2018. Growth was mainly driven by private consumption, government spending on infrastructure and investment. The service and construction sectors were significant contributors to this growth.

Monetary Policy

Inflation was estimated at 0.8% compared to 0.9% in 2018. Deflationary pressures on food prices, an abundant harvest and a decline in energy inflation contributed to this result. The accommodative monetary policy adopted by the MPC will likely cause more aggregate demand and, thus, higher inflation rate in 2020.

The National Bank of Rwanda reduced the base lending rate by 50 basis points from 5.5% to 5.0% with the motive of encouraging investment. A 36.8% surge in the amount of credit extended to the private sector was witnessed thereafter.

Balance of Payments

The RWF depreciated against the US dollar by 4.5% compared to 3.6 % recorded in 2018.

This was mainly driven by a 14.7% increase in the formal imports bill while export earnings slightly increased by 1%. Rwanda's trade deficit widened by 34.3%.

Fiscal Policy

The fiscal deficit was estimated at 6.3% of GDP compared to 4.3% in 2018. The government has been spending more on projects that improve tourism and support trade. In the budget, the government stated that an 11% increase in government spending was to be expected.

Economic Outlook

The Rwandan economy is expected to be one of the fastest growing Sub Saharan economies in 2020 with World Bank forecasts placing growth during the year at 8.1%. Growth is expected to be driven by sustained government investment in infrastructure and continued private investment.

Risks abound for the economy, mainly from the reliance on favourable weather conditions for agricultural production. The increase in public sector led investments presents a challenge to debt sustainability where the debt growth nexus does not improve. One of the key external threats is the reduction of earnings from commodity exports in the event of a global economic slowdown.

ECONOMIC REVIEW & OUTLOOK

TANZANIA



Macro Environment

The GDP of Tanzania grew by 6.9% in 2019 compared to 6.8% in 2018. This growth was driven largely by increased investment, especially in infrastructure, better availability of electrical energy, improvement of transportation services, increased production of minerals (especially gold & coal) and increased agricultural production due to favorable climatic conditions. The sectors that grew most were construction (16.5%), mining (13.7%) and media services (10.7%). According to the World Bank, a 5.8% growth has been projected for the year 2020.

Monetary Policy

Annual inflation of 3.8% was recorded in 2019 compared to 3.3% in November 2018. This was mainly because the staple foods; maize, rice and beans were more expensive. Inflation of food prices averaged 6.7% by November 2019 compared to 2.0% by November 2018.

The base lending rate remained constant at 7%. Lending rates in commercial banks were slightly lower, averaging 16.94% in 2019 compared to 17.13% in 2018. Lending to the private sector grew by an average of 9.8% in 2019 compared to 4.8% in 2018.

Balance of Payments

The balance of payments deficit reduced to USD 126.8 million from USD 882.8 million as a result of an increase in exports. In the period from July to October 2019, exports increased from USD 2,771.8 million in 2018 to USD 3,639.6. Moreover, imports during the same period increased by 3.1% from USD 3,654.6 million to USD 3,766.4 million.

The Tanzanian shilling depreciated by about 0.6% for the period July to November 2019 as compared to the same period in 2018.

Fiscal Policy

Public debt increased by 11.7% to TSH 54.84 trillion, equivalent to 27.2% of the GDP.

Economic Outlook

The World Bank predicts Tanzania's economy to grow by 5.8% in 2020, and further growth will rise to 6.1% in 2021. This is assuming steady implementation of reforms, especially for improving the business environment and fiscal management. Inflation in 2020 is expected to be 4.2% year on year.

The fiscal deficit is expected to increase to 3.5% of GDP given the continuing financial constraints and with government debt being expected to increase to 38.2% of GDP.

The external position is challenged by an expanding current account deficit and declining reserves. Higher imports to support capital projects will likely expand the current account deficit to 6-7 percent of GDP.

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SELECTED PE & DFI DEALS - 2019

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
08-Jan-19	Africinvest Azure SPV	Prime Bank Ltd	50	Financial Services	PE	Kenya	Africinvest Azure SPV (Africinvest) of Mauritius, jointly formed by Catalyst Fund II and AfricInvest Tunisia SARL, acquired a 24.2 per cent stake in Prime Bank Ltd (Prime), a Nairobi-based commercial bank, for a total KES 5.1 billion (USD 50.072 million), in a privately negotiated transaction.
10-Jan-19	AfricInvest	Britam Holdings	4.4	Financial Services	PE	Kenya	AfricInvest acquired an additional 49.3 million shares in insurance group Britam Holdings for KES 450 million raising its stake in the Nairobi Securities Exchange-listed firm to 16.26 per cent.
24-Jan-19	Goodwell Investments	Copia	2	ICT	PE	Kenya	Dutch impact investor Goodwell Investments made a USD 2 million (about KES 203 million) investment in Nairobi-based consumer goods catalogue and delivery service Copia for an undisclosed stake.
29-Jan-19	Britam Holdings	Gulf Energy	14	Energy	PE	Kenya	Britam Asset Managers bought a 40 per cent stake worth KES 1.4 billion in a local electricity producer, Gulf Energy, through a New York-based energy investment vehicle Everstrong Capital as the company seeks to diversify its investments beyond traditional investments.
05-Feb-19	Kibo Capital Partners	Metad Agricultural Development Plc ("Metad")	Undisclosed	Agriculture	PE	Ethiopia	Metad Agricultural Development Plc ("Metad") is one of Ethiopia's farmer, processor and exporter of high-end coffee. The Company's business model is to provide organic, fully traceable, high-quality coffee through a value chain approach that sees it controlling every stage of the coffee production from seed to export in order to meet international quality standards and to ensure superior customer service to some of the largest high-end coffee importers/roasters.
06-Mar-19	The Emerging Africa Infrastructure Fund (EAIF)	Kikagati Power Company Ltd (KPCL),	27	Energy	PE - Debt	Uganda	The Emerging Africa Infrastructure Fund (EAIF) signed a USD 27 million loan to Kikagati Power Company Ltd (KPCL), which is building a 14MW run-of-the-river hydro electricity generating station at Kikagati on the Kagera River. KPCL is backed by the Africa Renewable Energy Fund, a USD 205m fund managed by Berkeley Energy. The Uganda Electricity Transmission Company, Uganda's single-buyer and transmission company, will buy 100% of the energy generated, which will then sell half the energy on to Tanzania.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
07-Mar-19	Enko Capital Managers	Software Technologies Limited	Undisclosed	ICT	PE	Kenya	Software Technologies Limited (STL), a proprietary software solutions provider and IT training company based in Kenya, secured growth capital from Enko Capital Managers ("ECM"), managers of the Enko Africa Private Equity Fund ("EAPEF").
22-Mar-19	Kibo Capital Partners	Saviu Ventures	Undisclosed	Financial Services	PE	Kenya	Kibo Capital Partners (KCP) announced an investment in Saviu Ventures Ltd, an investment company whose objective is to partner with promising technology companies in East and West Africa, driving growth through financial, managerial and strategic support.
07-Apr-19	AgDevCo	Minimex Limited	3	Agriculture	PE	Rwanda	Minimex Limited, one of Rwanda's leading producers of maize products, received an investment worth USD 3 million from AgDevCo, a UK-based social impact investor backed by UK Aid. The company has been producing at only 40 per cent of its capacity and the investment is expected to enable the company to raise capacity utilisation up to 55 per cent in 2019 alone.
08-Apr-19	IFC and other investors	Branch International	170	Financial Services	PE	Kenya & Tanzania	Visa, together with Foundation Capital, has led a USD 170 million Series C funding in African-based financial app, Branch. The capital comprises USD 100 million debt financing and USD 70 million in equity for an undisclosed stake. Visa's investment in Branch will help expand financial access across the African continent, while fuelling new expansion in India and Latin America. Joining the round of investment are existing investors, Andreessen Horowitz, Trinity Ventures, Formation 8, the IFC, CreditEase and Victory Park, as well as new investors, Greenspring, Foxhaven and B Capital.
03-May-19	Actus Education Holding AB	Riara Group of Schools	Undisclosed	Education	PE	Kenya	Private equity firm, Actus Equity, acquired a 22.32 per cent stake in the holding company that runs the Riara Group of Schools' six learning institutions. Actus implemented the deal through its new Kenya-registered subsidiary, Actus Education Holding AB. Among the business matters in which Actus will have control are; hiring and firing of management, staff remuneration, capital investments, distribution of dividends and sale of assets. Actus implemented the deal through its new Kenya-registered subsidiary, Actus Education Holding AB.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
09-May-19	DOB Equity	Jibu Tanzania	Undisclosed	FMCG	PE	Tanzania	DOB Equity invested in Jibu Tanzania, the producer and distributor of clean drinking water, to support the company's rapid growth of a replicable franchise store concept in major cities in the country, starting from Arusha.
15-May-19	Investment Fund for Health in Africa, Elma Investments and The Dutch Ministry of Foreign Affairs.	CarePay	Undisclosed	Healthcare	PE	Kenya	Amsterdam and Nairobi-based CarePay International, a mobile health payments platform completed a USD 45 million Series A financing round for regional expansion. Investors included the Investment Fund for Health in Africa through its second healthcare fund (IFHA-II), Elma Investments and The Dutch Ministry of Foreign Affairs. CarePay International works with private and public health players, connecting millions of people to its platform that are currently excluded from quality healthcare services in Africa.
20-May-19	Engie RDE and other investors	Sistema.Bio	12	Energy	PE	Kenya	Biogas products firm Sistema. Bio has received USD 12 million in its first round of fundraising for an expansion drive across Kenya. The money—received from Engie RDE, EU Electrifi Fund, AlphaMundi, Triodos-Hivos, Dila Capital, Eco enterprises and from commercial-cum social impact investors—will also be spent on training farmers how to make organic fertilisers at no cost.
24-May-19	Rise Fund	Zipline	Undisclosed	ICT	PE	Rwanda	The Rise Fund, a global impact investment fund managed by TPG Growth, invested in Zipline, a provider of next-generation, precision drone delivery for healthcare services. Launched in Rwanda in October of 2016, Zipline uses drones to rapidly deliver vital medical supplies.
24-May-19	DOB Equity	Zanrec Ltd	Undisclosed	Professional Services	PE	Tanzania	DOB Equity invested in Zanrec Ltd to expand the company's growth and to widen its range of commercial solutions in waste collection, recycling and awareness in Zanzibar. Zanrec is a privately owned waste management company, founded in 2012. The Company complements the Zanzibari government waste collection by collecting predominantly organic waste from the hotels on Zanzibar.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
07-Jun-19	AgDevCo & Root Capital	Consortium of macadamia processors and exporters.	5	Agriculture	PE	Kenya	<p>In partnership with Root Capital, AgDevCo is investing USD 5 million in a market-leading consortium of macadamia processors and exporters.</p> <p>The consortium consists of Sagana Nuts, The Village Nut, Jumbo Nut, and the largest processor of the group, Afrimac – all with processing facilities located in Kenya's prime macadamia producing central counties. AgDevCo's financing will enable the consortium to buy nuts from 21,000 smallholder farmers to be processed into shelled kernels for export.</p>
12-Jun-19	Creadev	Twiga Foods	5	Agriculture	PE	Kenya	<p>Creadev invested USD 5 million (about Sh507 million) into Kenya's mobile-based food delivery firm Twiga Foods in a deal that will also see the Mulliez family which controls the private equity firm, acquire a stake in the company.</p> <p>The cash injection will go towards helping the firm upscale its support to small-scale farmers in the country.</p>
13-Jun-19	AfricInvest	Britam	2.73	Financial Services	PE	Kenya	<p>Private Equity (PE) firm AfricInvest spent another KES 273 million to acquire an extra 32.5 million shares in insurance group Britam whose stock it has been accumulating since last year. The latest share purchases raised the PE firm's stake in the Nairobi Securities Exchange-listed firm to 17.55 percent.</p>
17-Jun-19	Chandaria Capital	Savannah Brands	Undisclosed	Food and Beverage	PE	Kenya	<p>Chandaria Capital, the professional investment arm of Chandaria Group, announced its investment in the seed funding round of Kenya-based Savannah Brands, a young African based food and beverage company. Savannah Brands produces snacks and drinks made from 100% real fruits, vegetables and teas.</p>
19-Jun-19	HAVAIC	Taz Technologies Inc	Undisclosed	ICT	PE	Kenya	<p>Taz Technologies Inc (trading as MPOST), concluded a pre-Series A first round of funding for an undisclosed amount with Cape Town based VC, HAVAIC.</p> <p>Developed by Kenyan founders Abdulaziz (Aziz) Omar and Twahir Mohamed, MPost is an innovative, simple and affordable solution that utilizes consumers' mobile phone numbers to create internationally accepted postal addresses, virtual Post Office (PO) boxes and generate real time cell phone notifications for its customers.</p>

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
22-Jun-19	Kibo Capital Partners	Dough Works Limited	Undisclosed	Food and Beverage	PE	Tanzania	Private Equity firm Kibo Capital Partners through its second fund, invested in Dough Works Limited, the Franchise holder of Pizza Hut in Tanzania. Dough Works currently operates six Pizza Hut stores in Dar es Salaam and Arusha.
24-Jun-19	Investor Group	Vasari Beverages	100	FMCG	PE	Ethiopia	Alcoholic beverage investor Vasari Beverages completed a USD 100-million capital raise to fund the expansion of its existing beverage operations in Ethiopia, as well as to pursue new acquisitions and greenfield development opportunities across Africa and Asia. Vasari, majority owned by CEO Vivian Imerman and the Imerman family, with Investec as co-investor, has about 40 years' experience operating consumer goods companies across emerging and developed markets, including Scottish distiller Whyte & Mackay, global fruit-based drinks and products company Del Monte International and confectionary producer Nabisco SA.
28-Jun-19	TLG Capital	Platcorp Holdings Limited	10	Financial Services	PE	Kenya	TLG Capital announced a USD 10 million investment in Platcorp Holdings Limited through its Credit Opportunities Fund. Platcorp's core business is investment in microfinance and non-banking lending subsidiaries that initially focused on providing services primarily to civil servants across East Africa.
01-Jul-19	ResponsAbility, SunFunder, DWM and SIMA.	d.light	18	Energy	PE	Kenya	d.light, a pioneering manufacturer and provider of solar power products, announced a USD 18 million investment from a consortium of lenders including; two ResponsAbility-managed funds SunFunder, DWM and SIMA. The financing will be used to further grow d.light's operations across Africa.
14-Jul-19	Toyota Tsusho	Powerhive Inc	9.3	Energy	PE	Kenya	Micro-grids operator Powerhive Inc raised KES 930 million in its Series B round of funding for connecting electricity to 20,000 families via solar power.
15-Jul-19	AgDevCo	Africado	Undisclosed	Agriculture	PE	Tanzania	AgDevCo made a multi-million Euro investment in Africado, a successful avocado company based in the Kilimanjaro region of Tanzania. Africado grows avocados on its own farm and purchases high quality fruit from surrounding farmers for export to Europe.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
16-Jul-19	EXEO Capital	PPHL	Undisclosed	Manufacturing	PE	Tanzania	Stanlib-backed EXEO Capital announced its acquisition of a minority shareholding in PPHL, the Tanzanian maker of woven polymer-based cement bags. Following the investment, EXEO said it would seek additional opportunities for the Tanga-based firm that specialises in production of bags, sacks and tarpaulins for the agriculture and cement industries.
18-Jul-19	RENEW & the Impact Angel Network (IAN)	Kijani Baby	Undisclosed	FMCG	PE	Uganda	RENEW's Impact Angel Network (IAN) made their first investment in Uganda from their recently capitalized women-focused investment fund. The fund invested in Kijani Baby (Kijani), a washable diaper manufacturing company. The investment will be used to scale Kijani's production and improve its systems.
23-Jul-19	African Rivers Fund	Ice Industries Uganda	Undisclosed	Manufacturing	PE	Uganda	XSML announced an investment, through its African Rivers Fund, in Ice Industries (ICE), a producer of flake ice, which is used mainly to keep fresh produce cold and is an essential element for the fishing sector in Uganda. The investment from ARF will be used to more than double the companies' capacity of ice production, so that larger quantities of ice can be provided to the local fishing communities, at lower prices.
24-Jul-19	AJ Capital and Investment LLC (AJCI)	Insurance For All (IFA) Ltd	Undisclosed	Financial Services	PE	Kenya	AJ Capital and Investment LLC (AJCI), a Dubai-based private equity firm, purchased a 51 per cent stake in Kenyan start-up micro-insurer, Insurance For All (IFA) Ltd, for undisclosed value. The investment will be used to support IFA's expansion drive and marketing initiatives.
24-Jul-19	AHL Venture Partners and DOB Equity	Crop Nutrition Laboratory Services (Cropnuts)	Undisclosed	Agriculture	PE	Kenya	AHL Venture Partners and DOB Equity invested in Crop Nutrition Laboratory Services ("Cropnuts"). The investment will be used to capitalize on the fast-growing demand for quality lab testing & agronomy services that help farmers "grow more, with less" across Sub-Saharan Africa.
31-Jul-19	Lateral Capital	Lynk	Undisclosed	ICT	PE	Kenya	Lynk — a Kenyan online marketplace for artisans — raised an undisclosed amount of funding in a round led by New York based Lateral Capital with participation by Kenyan Cornerstone Group. Launched in 2016, Lynk has built a marketplace matching blue-collar workers to 'gigs' according to their experiences and skills. The marketplace, which recently introduced a shop section to promote artisans wares on its platform.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
12-Aug-19	Incofin	Juhudi Kilimo	2.4	Financial Services	PE	Kenya	Belgian investment fund Incofin CVSO has invested EUR 2.2 million in Juhudi Kilimo, a credit only microfinance institution operating in Kenya. Juhudi is a microfinance provider for smallholder farmers in Kenya and offers a wide range of services through its 34 branches spread across 32 rural towns in Kenya. The MFI manages a portfolio of c. EUR 20 million.
20-Aug-19	DOB Equity, GIF, Unilever	Mr. Green Africa	Undisclosed	Environment	PE	Kenya	DOB Equity, a Dutch family-backed impact investor in East Africa, and Global Innovation Fund (GIF), in partnership with Unilever, have co-invested in Mr. Green Africa, the Nairobi based recycler and recycled plastics supplier.
22-Aug-19	RENEW - Impact Angel Network	Travel Ethiopia PLC	Undisclosed	Hospitality	PE	Ethiopia	RENEW's Impact Angel Network (IAN) closed an investment in Travel Ethiopia Plc, a private eco-minded tour and safari company.
29-Aug-19	Oikocredit Ecumenical Development Cooperative Society UA	Credit Bank Plc	10	Financial Services	PE	Kenya	Oikocredit Ecumenical Development Cooperative Society UA of Netherlands acquired a 22.8 per cent stake in Credit Bank Plc, a Nairobi-based commercial bank, for a total KES 1 billion (USD 9.676 million).
05-Sep-19	Adenia Partners	Quick Mart	Undisclosed	FMCG	PE	Kenya	Adenia Partners, a private equity firm investing in Sub-Saharan Africa, completed a majority investment in Quick Mart Limited. Incorporated in 2006, Quick Mart operates a chain of 11 supermarkets in Kenya with 9 stores located in neighbourhood estates in Nairobi, and another 2 stores in the town of Nakuru. The investment will be utilized to expand Quick Mart's store network in convenient neighbourhood locations, as well as strengthen operational efficiencies.
24-Sep-19	Pearl Capital Partners	Clarke Farm Limited	1.5	Agriculture	PE	Uganda	PCP announced a USD 1.5 million investment in Clarke Farm Limited, an agribusiness company specialising in the production and processing of final speciality washed Robusta coffee, targeting the premium market. The investment has been structured to provide long term patient capital which will facilitate the expansion of the nucleus estate, development of a modern nursery to propagate and supply quality planting materials, among others.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
01-Oct-19	Oikocredit International	Kayonza Tea Factory	3.15	Agriculture	PE - Debt	Uganda	Solidaridad, an international civil society organisation founded in 1969, has facilitated USD 3.15mn of financing for Ugandan tea processor Kayonza Tea Factory in the form of a long-term loan from social impact investor Oikocredit. The investment will allow Kayonza to build a second factory to process the soaring tea yields for the benefit of the 7,500 smallholder farmers who own the tea processor. Kayonza is the first UNDP Equator Prize winner and the first project in Solidaridad's impact investment pipeline to win financing.
29-Oct-19	Goldman Sachs	Twiga Foods	29.75	Logistics	PE - Equity and Debt	Kenya	Twiga Foods, the Kenyan B2B food distribution company raised USD 23.75 million in a Series B equity round led by Goldman Sachs, with participation from existing investors including the IFC, TLcom Capital and Creadev. An additional USD 6 million in debt was raised from OPIC and Alpha Mundi. The Series B will fund the continued development of Twiga's proprietary technology and logistics assets to support the roll-out of its distribution system and lay the foundations for expansion into other cities in the continent.
30-Oct-19	DOB Equity	Moringa School	Undisclosed	Education	PE	Kenya	DOB Equity, a leading Dutch family-backed impact investor in East Africa, has invested in Moringa School ("Moringa"), the technology learning accelerator, to help it capitalize on the fast-growing demand for technical-skilled professionals. Moringa provides digital and professional training to students, increasing their employability and access to the labour market.
30-Oct-19	Goodwell Investments	Sendy	2	Logistics	PE	Kenya	Goodwell investments agreed to invest USD 2 million in on-demand delivery platform - Sendy. The investment will move the company closer to achieving its mission of improving the access of lower income groups to good quality basic products and services, at much lower prices. Sendy's user focussed technology platform helps cut logistics costs by simply and transparently connecting individual businesses to third party delivery drivers across Africa.

SELECTED PE DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
30-Oct-19	TPG Capital	Maziwa Ltd	Undisclosed	Agriculture	PE	Kenya	US-based TPG Capital has bought a 33.9 per cent stake in dairy processor Maziwa Ltd. The deal approved by the Competition Authority of Kenya (CAK) will see TPG Capital's subsidiary Pledge Holdco Ltd take part in running the business that distributes milk and milk-related products across Kenya, Uganda and Zambia. In its disclosures, TPG Capital said it also has interests in Kenya's Dodla Dairy Ltd, thanks to a 2017 purchase of a KES 5 billion stake in India-based parent company, where it processes one million litres of fresh milk daily received from 250,000 farmers. Post-transaction, the merged entity will have a market share of 3.9 percent.
07-Nov-19	Rise Fund LP	Pearl Diary Farms Ltd	Undisclosed	Agriculture	PE	Uganda	Rise Fund LP, an impact-investment fund, acquired 34 per cent of Uganda's largest dairy processor, Pearl Diary Farms Limited, in a bid to support smallholder farmers.
19-Nov-19	Zoscales Partners	Ahadukes Food Products S.C.	Undisclosed	FMCG	PE	Ethiopia	Zoscales Partners (ZP) maiden fund ("Zoscales Fund I") announced its investment into Ahadukes Food Products S.C. (Ahadukes). Ahadukes produces mainstream and premium biscuits for the Ethiopian domestic and export markets.
25-Nov-19	Africa Finance Corporation	Uganda Oil Refinery	20	Oil and Gas	PE	Uganda	The Africa Finance Corporation has advanced USD 20 million for the construction of Uganda's crude oil refinery, paving the way for the start of the USD 4.27 billion project.
27-Nov-19	Cepheus Capital	Tabor Ceramics	Undisclosed	Manufacturing	PE	Ethiopia	Cepheus Growth Capital Partners ("Cepheus Capital") announced an investment into Tabor Ceramics Products Share Company ("Tabor Ceramics"), Ethiopia's leading domestic producer of ceramic products.
06-Dec-19	DOB Equity	Natural Extracts Industries Limited	Undisclosed	Manufacturing	PE	Tanzania	DOB Equity, a leading Dutch family-backed impact investor in East Africa, has invested in Natural Extracts Industries Ltd, the leading integrated natural vanilla flavour manufacturer, based in Moshi, Tanzania.
12-Dec-19	LGT Lightstone	Copia Global	26	ICT	PE	Kenya	Copia Global, an e-commerce firm giving underserved Kenyans in rural areas access to goods they'd normally have to travel for, has raised a USD 26 million investment led by LGT Lightstone.

SELECTED PE & DFI DEALS IN EA - 2019

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
19-Feb-19	Proparco	mSurvey	Undisclosed	ICT	PE (DFI)	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.
07-Mar-19	Investment Fund for Developing Countries (IFU)	Sidian Bank	12	Financial Services	PE (DFI)	Kenya	Sidian Bank, a Kenyan Tier 3 bank, received a USD 12.0 million (Kshs 1.2 billion) Tier II capital injection from the Investment Fund for Developing Countries (IFU), a Danish Development Finance Institution (DFI). The funds are expected to boost the bank's regulatory capital ratios as it works towards achieving its strategic objective of becoming a Tier 2 bank by 2022.
08-Apr-19	DEG	Kevian Kenya	11.00	FMCG	PE - Debt (DFI)	Kenya	<p>Kevian Kenya, maker of Afia and Pick 'N' Peel juice brands has received an additional EUR 10 million (KES 1.1 billion) loan from German sovereign wealth fund DEG to finance its expansion. This is the second funding that the company has secured from DEG following an earlier loan of EUR 7 million (KES 791 million) issued to the Thika-based company in 2012. Kevian's chairman Kimani Rugendo said the loan will enable his beverages firm to expand its production capacity and introduce more products.</p> <p>"The loan will also go towards supporting the expansion of the firm as happened with the previous loan which Kevian has paid back," he said.</p>
03-Sep-19	FinnFund in partnership with Proparco and IFU	Maarifa Education Group	7	Education	PE (DFI)	Kenya	Finnish development financier FinnFund is investing USD 7 million in Maarifa Education Group, a private tertiary education company operating in Sub-Saharan Africa. This is FinnFund's first direct investment in the education sector. The investment was done in partnership with Proparco, the French development finance institution, and IFU, the Danish development finance institution.
19-Sep-19	IFU	Africa Education Holding Limited	6.7	Education	PE (DFI)	Uganda	The Danish SDG Investment Fund managed by IFU invested USD 6.7 million in Africa Education Holding Limited (AEHL). AEHL offers affordable high quality programmes in labour market relevant studies such as medicine, business, IT, among others. AEHL owns and operates Cavendish University in Uganda and Zambia, and going forward will increase its portfolio in East and West Africa.

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
24-Sep-19	European Investment Bank (EIB) and FMO (Dutch Development Bank)	Frontier Energy	106	Energy	PE – Debt (DFI)	Kenya	<p>The European Investment Bank (EIB) and Dutch development bank FMO have provided financing for the construction and operation of two solar photovoltaic (PV) parks totalling 80 MW in Kenya.</p> <p>Each lender has contributed USD 53 million (EUR 48.2 million) in non-recourse project financing to the USD 147 million investment. The remaining cost will be assumed by the project promoters, Africa-focused renewables developer Frontier Energy.</p>
11-Oct-19	Proparco	Africure Pharmaceuticals	10	Healthcare	PE - Debt (DFI)	Ethiopia	<p>Pharmaceutical company Africure, received USD 10 million from Proparco. Africure is an Indian manufacturer and distributor of generic pharmaceutical products, operating in Sub-Saharan Africa. It initially exported generics manufactured from its Indian plant but the activity has since scaled up with the launch of distribution and processing units in Cameroon, Burkina Faso, Botswana and Namibia. Proparco's loan will allow Africure to increase its production capacity in Africa, by launching two new plants in Cote d'Ivoire and Ethiopia and to improve its supply options for raw materials. PROPARCO is combining this loan with a technical assistance project to support the company's efforts to comply with WHO Good Manufacturing and Distribution Practices.</p>
01-Dec-19	Overseas Private Investment Corporation, the Ford Foundation and Citi Inclusive Finance	d. Light	5	Energy	PE (DFI)	Kenya	<p>Kenya's solar provider d. Light has secured a KES 500 million financing from a consortium of three US organisations to develop off-grid solar energy in the country. The equity is part of a KES 10 billion loan guarantee facility offered by the Overseas Private Investment Corporation, the Ford Foundation and Citi Inclusive Finance.</p>
12-Dec-19	International Finance Corp	Umeme Limited	70	Energy	PE - Debt (DFI)	Uganda	<p>International Finance Corp. arranged a syndicated loan of USD 70 million for Umeme Ltd. to enable the Ugandan power distributor to expand its network and deliver electricity to more homes and businesses.</p>

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
18-Jan-19	The French Development Agency (AFD)	M-Tiba	1.48	Healthcare	PE - VC (DFI)	Kenya	The French Development Agency (AFD) has invested KES 150 million in Safaricom-backed healthcare app M-Tiba that will go towards growing the number of individuals and healthcare providers on the platform.
01-Jul-19	The Yield Uganda Investment Fund	Raintree Farms	1.06	Agriculture	PE - VC	Uganda	Yield Uganda Investment Fund announced its commitment to invest USD 1.06 million (UGX 3.9 billion) in Raintree Farms Limited, a pioneer agri-ceutical enterprise specialising in the production and processing of organic moringa. Raintree Farms is based in Masindi, Uganda and its products are sold to the nutritional, beauty and health markets.
26-Jul-19	Gray Matters Capital	Taimba	0.1	Agriculture	PE - VC	Kenya	Nairobi based B2B Agri-Tech startup Taimba secured USD 100,000 from US-based impact investor Gray Matters Capital's gender lens portfolio: GMC coLABS. Taimba runs a mobile-based cashless platform connecting rural small scale farmers to urban retailers.
06-Aug-19	Sumerian Partners, Inqo Investments and Johnson and Johnson social Impact Fund	South Lake Medical Centre (SLMC)	0.95	Healthcare	PE - VC	Kenya	UK based Sumerian Partners, South African Impact Investor Inqo Investments and Johnson & Johnson's social impact fund have made an investment in SLMC, a Kenyan based, low cost medical centre. SLMC is a private healthcare provider in the Naivasha region of Kenya serving predominantly low-income flower farm workers. A total investment of USD 950,000 will be made in a combination of equity and soft loans.
07-Aug-19	Chandaria Capital, Vilgro Kenya and ShakaVC	Ilara Health	0.735	Healthcare	PE - VC	Kenya	Nairobi-based healthcare diagnostics company Ilara Health has raised KES 75.8 million in seed funding from local and foreign venture capital firms for local expansion. Chandaria Capital was joined by a suite of investors in the deal, including Vilgro Kenya and Shaka VC. Angel investors in this round include Esther Dyson, Nijhad Jamal, Aadil Mamujee, Selma Ribica, and Shakir Merali.
19-Nov-19	Viktorija Business Angels Network and Pangea Accelerator	ManPro	0.2	ICT	PE - VC	Kenya	Viktorija Business Angels Network (Vban) and Pangea Accelerator have together invested USD 200,000 in Kenyan startup ManPro.

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
19-Nov-19	Unicorn Group	Asilimia	0.35	ICT	PE - VC	Kenya	Nairobi-based fintech startup Asilimia has raised \$350,000 in funding from pan-African investment firm the Unicorn Group. Asilimia helps small businesses make transaction-free mobile money payments and also provides its users with access to financial services like insurance.
09-Dec-19	Gray Matters Capital	Farmshine	0.25	Agriculture	PE - VC	Kenya	Farmshine has received Sh25 million from US-based impact investor Gray Matters Capital (GMC) to expand operations.
12-Dec-19	GAN Ventures, Mercy Corps Ventures and Musha Ventures	Turaco	1.2	Financial Services	PE - VC	Kenya	Nairobi-based insurtech startup Turaco has raised a \$1.2-million seed investment which it intends to use to further scale its operations across Africa. Turaco, which also has an office in Atlanta in the US, partners with local companies and mobile lending organisations to provide simple and affordable medical cover to under-served and un-served communities.
13-Dec-19	Kepple Africa Ventures and DeepCore	UTU	0.5	ICT	PE - VC	Kenya	Nairobi-based artificial intelligence startup UTU has raised \$500 000 in a round in which at least two Japanese venture capital (VC) firms participated in. UTU, which was founded in 2017 by Jason Eisen and Bastian Blankenburg, provides trust infrastructure for mobility, sharing, fintech, and e-commerce platforms.

SELECTED PE EXIT DEALS IN EA - 2019

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
09-Jan-19	GEMS Education	Fanisi Capital	26	Education	PE - Exit / M&A	Kenya	Private equity firm Fanisi Capital signed an agreement to sell Hillcrest International Schools to Dubai-based GEMS Education for KES 2.6 billion. Fanisi previously owned a 55 per cent stake in the school.
07-Mar-19	Enko Capital Managers	TBL Mirror Fund	Undisclosed	ICT	PE - Exit	Kenya	TBL Mirror Fund agreed to a partial sale of shares in Software Technologies Limited to Enko Capital Managers.
02-Jun-19	DTB Group	DTB Burundi	1.15	Financial Services	PE - Exit / M&A	Kenya	DTB Group acquired an additional 16.34 per cent stake in its Burundian subsidiary after buying out International Finance Corporation (IFC) for KES 152.2 million. The transaction raised the Nairobi Securities Exchange-listed firm's equity in Diamond Trust Bank Burundi to 83.67 per cent from the previous 67.33 per cent.
12-Jun-19	Coca Cola Sabco East Africa Ltd	Almasi Beverages Ltd	193	FMCG	PE - Exit / M&A	Kenya	Coca Cola Sabco East Africa Ltd of United Arab Emirates, a unit of Coca-Cola Beverages Africa Pty Ltd, acquired a 53.9 per cent interest in Almasi Beverages Ltd, an Eldoret-based manufacturer of bottled water, from Centum Investment Co Ltd. Concurrently, Coca Cola Sabco East Africa Ltd acquired Nairobi Bottlers Ltd. The two transactions had a combined value for a total USD 192.6 million.
12-Jun-19	Coca Cola Sabco East Africa Ltd	Nairobi Bottlers Ltd	Undisclosed	FMCG	PE - Exit / M&A	Kenya	Coca Cola Sabco East Africa Ltd of United Arab Emirates, a unit of Coca-Cola Beverages Africa Pty Ltd, raised its interest to 72.4 per cent, from 44.8 per cent, by acquiring a 27.6 per cent stake in Nairobi Bottlers Ltd, an Embakasi-based manufacturer of bottled water, from Centum Investment Co Ltd, in a privately negotiated transaction. Concurrently, Coca Cola Sabco East Africa Ltd acquired Almasi Beverages Ltd. The two transactions had a combined value for a total USD 192.6 million.
20-Aug-19	Danish Brewing Company E.A. Limited	Centum Investment Company Plc	Undisclosed	Logistics	PE - Exit / M&A	Kenya	Centum Investment Company Plc concluded an agreement to sell all its shareholding in King Beverage Limited to Danish Brewing Company E.A. Limited. Centum held 100 per cent of the shares in King Beverage Limited which is in the business of sale and distribution of various alcoholic beverages. The Company is the sole distributor of Carlsberg Brands and selected Edrington and Grays Spirits in Kenya.
19-Dec-19	Investment Fund for Developing Countries	Development Finance Company of Uganda	Undisclosed	Financial Services	PE - Exit	Uganda	U.K.'s development finance institution sells about 74.6 million shares of Development Finance Co. of Uganda to Investment Fund for Developing Countries.

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SELECTED M&A DEALS - 2019

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
02-Jan-19	Azania Bank Ltd	Bank M Tanzania PLC	Undisclosed	Financial Services	M&A	Tanzania	Azania Bank Ltd acquired the entire share capital of Bank M Tanzania PLC, a Dar es Salaam-based commercial bank.
07-Jan-19	Shalina Healthcare	Pharmaceutical Manufacturing Company (Kenya) Limited	Undisclosed	Healthcare	M&A	Kenya	Dubai-based healthcare company Shalina acquired an undisclosed stake in a Kenyan-owned pharmaceutical manufacturing company, expanding its medicine production and distribution venture to the seven countries in Africa.
09-Jan-19	Goodlife	Maghreb Pharmacy	Undisclosed	Healthcare	M&A	Kenya	Goodlife Pharmacy acquired assets belonging to Maghreb Pharmacy as part of its plans to grow its footprint to 100 regionally.
30-Jan-19	Ramco Plexus	Sintel Security Print Solutions	Undisclosed	Manufacturing	M&A	Kenya	Print and packaging firm Ramco Plexus acquired 73.6 per cent of the issued share capital of scratchcard making giant Sintel Security Print Solutions.
05-Feb-19	Sanlam Group	Soras Assurance General Ltd and Saham Assurance Rwanda Ltd	Undisclosed	Financial Services	M&A	Rwanda	Sanlam Group of Companies has taken over Soras Assurance General Ltd and Saham Assurance Rwanda Ltd following an acquisition of the two companies. The duo was fully acquired by Sanlam, a South African company, following a process that began in 2014 when Sanlam acquired a 63 per cent stake in Soras after investing USD 24.3 million. Sanlam first took over Soras insurance in 2017 when it bought the remaining shares, leading the firm to have a 35 per cent of the market share and assets on an estimated RWF 45 billion. The merger of the two companies was signed on January 30, 2019 by the Board of Directors.
13-Mar-19	Rubis Energie	KenolKobil	360	Oil and Gas	M&A	Kenya	French downstream fuel industry group, Rubis Energie is finally taking over KenolKobil in KES 36 billion transaction, placing it as the largest foreign direct investment deal in the recent past. The transaction has seen Rubis receiving acceptance for shares, raising its stake in KenolKobil to 97.6 per cent.
20-Mar-19	Simba Cement Limited	Cemtech Company Limited	Undisclosed	Manufacturing	M&A	Kenya	Simba Cement Limited acquired 100 per cent of the business and assets of Cemtech Limited. The Devki Group of Companies owns Simba Cement Limited (Simba Cement) which trades under the brand name National Cement. Cemtech Limited, is a subsidiary of Sanghi Group of India. The terms of the transaction were not disclosed.

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
28-Mar-19	Mpharma Data Inc	Haltons Ltd	Undisclosed	Healthcare	M&A	Kenya	Mpharma Data Inc of Ghana acquired Haltons Ltd, a Nairobi-based drug store operator.
07-Apr-19	Undisclosed	Sanlam Investments East Africa	7.3	Financial Services	M&A	Kenya	Sanlam Group, a South African financial services firm, has sold an undisclosed amount of its stake in Sanlam Investments East Africa (SIEA), an asset management firm based in Kenya, for ZAR 101.0 million (KES 730 million) to an undisclosed party.
09-Apr-19	Devenish Nutrition Ltd	Sidai Africa Ltd	2.25	Agriculture	M&A	Kenya	Devenish Nutrition Ltd of the UK, a unit of Bunny Investments Ltd, acquired a 42% stake in Sidai Africa Ltd, a Nairobi-based supplier of agrichemicals products, for a total KES 226.36 million (USD 2.25 million), in a privately negotiated transaction.
15-May-19	Heritour Limited	Abercrombie & Kent Kenya Limited	Undisclosed	Hospitality	M&A	Kenya	Bahamas-based Heritour Limited received approval from the Competition Authority of Kenya (CAK) to complete its full buyout of the local subsidiary of Luxembourg-based tour firm, Abercrombie & Kent (A&K). The target firm, A&K, has several subsidiaries in Kenya, one of them being Abercrombie & Kent Kenya Limited, one of the 328 registered local tour operators.
21-May-19	Echotel International Proprietary Limited	iWayAfrica Kenya (iWayKenya)	Undisclosed	ICT	M&A	Kenya	South Africa-based integrator of advanced network and cloud computing services, Echotel International Proprietary Limited, received the green light from the Competition Authority of Kenya (CAK) to acquire 80 per cent of iWayAfrica Kenya. Echotel, through its subsidiaries, provides wireless connectivity services while the target provides retail internet access, Virtual Private Network (VPN), and online security services.
21-May-19	Tenlot Group Limited	Kenya Charity Sweepstake Ltd	Undisclosed	Professional Services	M&A	Kenya	Tenlot Group Limited of the UK, a unit of the Elenitlo Group Limited acquired an 85% in Kenya Charity Sweepstake Limited, a Nairobi based provider of gambling services.
05-Jun-19	Marubeni Corporation	Azuri Technologies Limited	26	Energy	M&A	Kenya	Azuri Technologies, a provider of pay-as-you-go solar home solutions to off-grid households across Africa, announces a strategic investment of USD 26 million, led by Fortune Global 500 company Marubeni Corporation with additional participation from existing shareholders including FTSE 250 company IP Group Plc. The strategic investment will accelerate Azuri's market growth plans in both East and West Africa and open up new opportunities for the business.

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
30-Jul-19	DPO Group	PayFast	Undisclosed	Financial Services	M&A	Kenya	Nairobi-based payment services provider the DPO Group acquired South African payments processing service PayFast in a reported multi-million rand deal. The deal was carried out through a mix of shares and cash. As part of the deal, the PayFast management team will remain key shareholders in the DPO Group.
19-Aug-19	PowerGen Renewable Energy	Rakifi Power (E.on)	Undisclosed	Energy	M&A	Tanzania	Pan-African micro-grid company PowerGen Renewable Energy has formally acquired E.on Off-Grid Solutions GmbH, which operates under the Rafiki Power brand in Africa, for an undisclosed sum.
26-Aug-19	Zeder	East African Seed Company (EAS)	Undisclosed	Agriculture	M&A	Kenya	South African Agribusiness Company Zeder, through its subsidiary Zaad Holdings, acquired 40 per cent stake in the East African Seed Company (EAS), with an option to acquire an additional stake in the future. EAS was established in 1972 and has steadily grown to become the leading independent seed company within the East and Central African regions.
23-Sep-19	Olea Insurance Solutions	Koolridge Insurance Brokers Ltd	Undisclosed	Financial Services	M&A	Kenya	Olea Insurance Solutions of France acquired a 40 per cent stake in Koolridge Insurance Brokers Ltd, insurance agency, in a privately negotiated transaction. Terms were not disclosed.
26-Sep-19	Huaxin Cement Co Ltd	Maweni Limestone Ltd	115.13	Manufacturing	M&A	Tanzania	Huaxin Cement Co Ltd of China acquired Maweni Limestone Ltd, a Tanga-based manufacturer of cement, from ARM Cement PLC, for a total TZS 264.05 billion (USD 115.126 million). Huaxin stated that this first incursion into East Africa is 'integral to its broader strategy' of expansion in emerging markets. It adds the Tanzanian producer of Rhino cement to its burgeoning portfolio of overseas assets including cement plants in Tajikistan, Uzbekistan, Cambodia and Nepal.
26-Sep-19	Co-Creation Hub	iHub Ltd	Undisclosed	Professional Services	M&A	Kenya	Co-Creation Hub of Nigeria acquired iHub Ltd, a Nairobi-based provider of computer related services, from BSP Fund LLC. Terms were not disclosed.

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
11-Oct-19	Strategic Investor	Choice Microfinance Bank	0.7	Financial Services	M&A	Kenya	<p>Diaspora-backed Choice MFB shareholders ceded a major stake to an unnamed strategic investor as the loss-making micro financier seeks fresh capital to finance expansion and boost lending capacity.</p> <p>A notice by the lender said the unnamed investor had received shareholders' nod at the firm's special general meeting. The entry of the undisclosed strategic investor is expected to cause changes in ownership and board membership.</p>
06-Nov-19	Rubis Energie	Gulf Energy Holdings Ltd	Undisclosed	Oil and Gas	M&A	Kenya	<p>French oil giant Rubis Energie is set to increase its share of the retail oil marketing business after it inked a deal to acquire Gulf Energy Holdings Ltd. Rubis on Monday signed a share purchase agreement that will see it take over oil marketing assets and businesses of Gulf Energy, which is placed as the number four oil marketing company in the country with a 20 per cent market share.</p>
08-Nov-19	Icea Lion Asset Management Ltd	Stanlib Kenya	15	Financial Services	M&A	Kenya	<p>Fund manager ICEA Lion Asset Management has signed an agreement to acquire its rival Stanlib Kenya in a deal estimated at more than KES 1.5 billion.</p>
12-Nov-19	GA Insurance	Nova Insurance	Undisclosed	Financial Services	M&A	Uganda	<p>GA Insurance acquires 100 per cent stake as part of plan to expand its services across East Africa.</p>
15-Nov-19	Exim Bank Tanzania	United Bank Limited (T)	Undisclosed	Financial Services	M&A	Tanzania	<p>Exim Bank Tanzania now owns 100 per cent of the business and assets of United Bank Ltd (T), a subsidiary of Pakistan's UBL Bank.</p> <p>The acquisition, the first by a private bank in the country, goes toward consolidation of the country's banking sector.</p>

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
09-Jan-19	GEMS Education	Fanisi Capital	26	Education	PE - Exit / M&A	Kenya	Private equity firm Fanisi Capital signed an agreement to sell Hillcrest International Schools to Dubai-based GEMS Education for KES 2.6 billion. Fanisi previously owned a 55 per cent stake in the school.
02-Jun-19	DTB Group	IFC	1.15	Financial Services	PE - Exit / M&A	Kenya	DTB Group acquired an additional 16.34 per cent stake in its Burundian subsidiary after buying out International Finance Corporation (IFC) for KES 152.2 million. The transaction raised the Nairobi Securities Exchange-listed firm's equity in Diamond Trust Bank Burundi to 83.67 per cent from the previous 67.33 per cent.
12-Jun-19	Coca Cola Sabco East Africa Ltd	Almasi Beverages Ltd	193	FMCG	PE - Exit / M&A	Kenya	Coca Cola Sabco East Africa Ltd of United Arab Emirates, a unit of Coca-Cola Beverages Africa Pty Ltd, acquired a 53.9% interest in Almasi Beverages Ltd, an Eldoret-based manufacturer of bottled water, from Centum Investment Co Ltd. Concurrently, Coca Cola Sabco East Africa Ltd acquired Nairobi Bottlers Ltd. The two transactions had a combined value for a total USD 192.6 million.
12-Jun-19	Coca Cola Sabco East Africa Ltd	Nairobi Bottlers Ltd	Undisclosed	FMCG	PE - Exit / M&A	Kenya	Coca Cola Sabco East Africa Ltd of United Arab Emirates, a unit of Coca-Cola Beverages Africa Pty Ltd, raised its interest to 72.4 per cent, from 44.8 per cent, by acquiring a 27.6 per cent stake in Nairobi Bottlers Ltd, an Embakasi-based manufacturer of bottled water, from Centum Investment Co Ltd, in a privately negotiated transaction. Concurrently, Coca Cola Sabco East Africa Ltd acquired Almasi Beverages Ltd. The two transactions had a combined value for a total USD 192.6 million.
20-Aug-19	Danish Brewing Company E.A. Limited	King Beverage Limited	Undisclosed	Logistics	PE - Exit / M&A	Kenya	Centum Investment Company Plc concluded an agreement to sell all its shareholding in King Beverage Limited to Danish Brewing Company E.A. Limited. Centum held 100 per cent of the shares in King Beverage Limited which is in the business of sale and distribution of various alcoholic beverages. The Company is the sole distributor of Carlsberg Brands and selected Edrington and Grays Spirits in Kenya.

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OTHER DEALS - 2019

OTHER DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
11-Jan-19	Cerba Healthcare	Lancet Laboratories	Undisclosed	Healthcare	Joint venture	Kenya	France-based multinational Cerba Healthcare entered into a joint venture agreement with medical services provider Lancet Laboratories for an undisclosed amount. The agreement will give Cerba control over a network of more than 100 laboratories previously owned by the firm that Lancet SA will now hold a 49 per cent stake in the joint venture while Cerba Healthcare will own 51 per cent.
08-Feb-19	Bharti Airtel Ltd	Telkom Kenya Ltd	Undisclosed	ICT	Joint Venture	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.
07-May-19	CDC Group	Globeleq	68.20	Energy	Joint Venture (DFI)	Kenya	The UK's development finance institution CDC Group plc will provide GBP 52 million (USD 68.2million/EUR 60.8million) for the construction of a solar park in Malindi, Kenya. The project is run by Globeleq, an independent power producer focused on Africa and majority-owned by CDC. In July 2018, Globeleq and CDC announced a joint investment in the 52-MWp Malindi solar project, in which Globeleq will own a stake of 90 per cent, leaving 10 per cent for Africa Energy Development Corporation (AEDC), the originator of the project.
20-Jun-19	Cellulant	PayU	Undisclosed	Financial Services	Partnership	Kenya	Netherlands-based payment platforms technology provider PayU announced a partnership with Kenya's Cellulant to launch its local operations. PayU, which received a commercial licence last February, said its platform will see mobile cash payment services embedded on its platform to enable Kenyans and online merchants conclude transactions with ease within and across the borders.
21-Jun-19	Vivo Energy	Kuku Foods East Africa Holdings	Undisclosed	Food and Beverage	Joint Venture	Kenya	Oil marketer Vivo Energy, which trades under the Shell brand name, is set to take a 50 per cent stake in KFC in East Africa, in a deal with the owners of the fast food franchise Kuku Foods East Africa Holdings. The joint venture is expected to help the growth of KFC through the opening of new outlets at Vivo's properties in Kenya, Uganda and Rwanda.

OTHER DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
26-Jul-19	Investors	Branch International	5	Financial Services	Commercial Paper	Kenya	Digital financial service provider Branch International issued its fourth commercial paper of USD 5 million (KES 500 million). The investment will be used to expand its services in Kenya. The issuance comes after the firm announced it had repaid its third commercial paper of USD 5 million. The latest funding brings the total capital raised locally by the firm since its first issuance in 2017 to more than USD 15 million.
16-Aug-19	Investors	Acorn Holdings	48.4	Real Estate	Green Bond	Kenya	Kenya's Capital Markets Authority (CMA) approved the issuance of the country's first green bond, worth KES 5 billion (USD 48.4million/EUR 43.6million), in support of sustainable and climate-resilient projects.
19-Aug-19	Transssion Future Hub	Wapi Capital	Undisclosed	Financial Services	Joint Venture	Kenya	Transssion Future Hub, a subsidiary of Chinese mobile-phone and device maker Transssion, is teaming up with Kenya's Wapi Capital to source and fund early-stage African fintech startups.
25-Aug-19	Actis	Improvon	111	Real Estate	Joint Venture	Kenya	South African unlisted industrial property developer Improvon has teamed up with PE investor Actis, to build Kenya's biggest industrial real estate investment. The two companies have created a JV called ImpAct to build the 40 ha industrial business park development at an estimated cost of USD 111 million. The new development will be called Nairobi Gate Industrial Park.
02-Sep-19	Bowmans	Aman Assefa & Associates Law Office	Undisclosed	Professional Services	Strategic Alliance	Ethiopia	Bowmans a law firm headquartered in South Africa announced it is expanding operations to Mauritius and Ethiopia enabling it to unlock more opportunities for clients in Africa. In Ethiopia, Bowmans has formed a formal alliance with Aman Assefa & Associates Law Office. The Company also has offices in Kenya, Tanzania and Uganda.

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Head Office

3rd Floor, Block A, Eldama Park
Eldama Ravine Road,
Westlands
P.O Box 51525-00100
Nairobi, Kenya
Tel: +254 (0) 20 2100 102,
+254 (0) 20 3744618

Kampala Office

5th Floor
Rwenzori Towers
Nakasero Road
Kampala, Uganda
Tel: +256 (0) 794 476 967

CONTACTS OF THE EDITORIAL TEAM



EDWARD BURBIDGE,
CEO



Edward.Burbidge@imburbidgecapital.com



KEVIN KURIA,
Senior Associate



Kevin.kuria@imburbidgecapital.com

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