DealMakers AFRICA

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AFRICA'S CORPORATE FINANCE MAGAZINE

The pathway to Deal of the Year

Pathfinder perspectives:
Johan Holtzhausen,
Managing Director, PSG Capital

As Managing Director of PSG Capital - the boutique corporate finance arm of PSG Limited - Johan Holtzhausen outlines solutions available to corporate development and capital management teams, which involve careful planning, quick learning and fast acting.

Johan Holtzhausen is one of South Africa's top M&A dealmakers – and he's got the accolades to prove it. The 2020 Deal of the Year was awarded to Johan for PepsiCo's acquisition of Pioneer Foods, a deal powered by the Ansarada platform. The PepsiCo acquisition was the most successful deal from a value standpoint and provided a great economic boost for South Africa.

Despite the uncertainty brought on by COVID-19 and the impact on dealmaking, Johan is a firm believer that it's no time to panic. "There are lots of opportunities out there, especially if you have capital available," he said. "There are opportunities now to buy companies that want to dispose of non-core assets that can fit your business model. Or if you wish to merge and the party wasn't ready to negotiate with you – maybe now is the time."

Deal activity in a post-COVID world

"In my experience, Private Equity houses sit with a lot of cash. Multiples, expectations of sellers have come down to more realistic levels, so you can do a good transaction," said Johan. "There will be question marks around sustainability – has the company recovered? What are the prospects? How are we going to solve diligence exercises? - but a platform like Ansarada can help provide those solutions."

"With the technology available out there (from a Virtual Data Room base), you can commence due diligence and still safeguard the acquisition with appropriate warranties or delayed payment clauses. There are mechanisms you can utilise to seize the opportunities available."

How can sellers alleviate some of the downward pricing pressure?

"Asset disposal is all about your real position in negotiations at the end of the day, but you can extend your payment terms or warranty of your profit terms so you aren't judged on the COVID period, but the next 12 months going forward," said Johan. "This can help you try to average out or recover some of what you've left on the table if you sell during this period."

Ansarada's platform has helped more than 400,000 dealmakers get ready to seize opportunity. Get in touch today to find out how we can prepare you for the next wave of M&A activity.

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ansarada

from the editor's desk

There has been much hype around the implementation of the African Continental Free Trade Area (AfCFTA) agreement, which was first presented for signature as far back as March 2018. Though it has been touted as the way to revolutionise trade across the African continent, by increasing the focus on domestic rather than international trade, the coronavirus pandemic has stalled the momentum of the agreement, which was to be effective from July 2020. The new implementation date is January 1, 2021. The World Bank, in its October 2020 issue of *Africa's Pulse*, claims that the agreement could potentially boost Africa's output by US$211 billion by 2035, with the largest increases in the services sector ($147 billion), manufacturing ($56 billion) and natural resources ($17 billion). However, implementation now poses certain risk for some African countries, as the playing fields look very different now than they did prior to the pandemic and, as a result, they may find it difficult to adjust import and export tariffs in the short term.

Africa's appeal has not been dampened by COVID-19, and it is still thought to be the fastest-growing market, where opportunities for venture capitalists and private equity funds abound. According to the IMF, Africa is home to more digital financial services deployments than any other region in the world. African tech startups have continued to grow in the face of economic challenges, with the most active sectors being information technology, finance and agriculture. The fact of the matter is that plenty of investors, both local and international, have funds that need to be invested and, while valuations have fallen, COVID-19 has changed very little from an investor perspective. According to the World Bank, approximately 95% of all consumer payments in Africa are still being made in cash, with more than half the continent's adult population lacking access to a formal account. The asset class has a proven track record for being able to outperform others during times of weak economic growth and market volatility, and 2020 is on course to beat 2019's record, to become the best yet for investment.

Analysis of Q1-Q3 merger and acquisition data collected by Deal**Makers AFRICA** (excluding South Africa) shows the total value of deals at US$8,1 billion for the period – up $1,7 billion on H1 numbers. If foreign deals are excluded (foreign deals are recorded when a company being acquired is based in a non-African country but has subsidiaries or assets in one or more African countries), the value drops to $7,54 billion from 334 deals (pg 3).

By region, the most active was West Africa with 100 deals, of which 63 were recorded in Nigeria with a value of $230 million. East Africa recorded 93 deals with Kenya, unsurprisingly, the most active with 53 deals. By value, North Africa led the tables at $2,8 billion off 54 deals; Egypt lead the region with $2,65 billion off 38 deals. The list of top ten deals by value for Q1-Q3 2020 (pg 4) reveals that five deals during the period July to end September made the list. The top two, by value, were the disposal by Cairn Energy of its stake in the Sangomar Offshore Contract Area in Senegal – valued at $300 million – and the disposal by Total Gabon of 7 mature, non-operated offshore fields to Perenco – valued at c.$290 million.

The private equity deals included in the regional numbers, of which the values are, for the most part, undisclosed, were most prominent in Nigeria (35 deals) followed by Kenya (27). Investments were mainly in the tech space and across diverse sectors.

For the past two years, Deal**Makers AFRICA** has hosted its annual Awards in Nairobi in March, at which the work by advisory firms in East and West Africa is celebrated. Plans to hold the event in Lagos in 2021 have been cancelled due to disruptions caused by the pandemic. The awards will, however, still be acknowledged and we are working on bringing a virtual event to a larger and geographically wider audience. I am, once again, grateful to our event sponsors Ansarada and Brunswick, who continue to pledge their support in recognising the work undertaken by this industry on the continent. •

MARYLOU GREIG

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The magazine is available for download at **www.dealmakersdigital.co.za**

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DealMakers AFRICA M&A Analysis Q1 – Q3 2020

REGIONAL ANALYSIS (Excluding failed deals)

Region	Country	LOCAL DETALS US $ Value	LOCAL DETALS No.	FOREIGN DEALS US $ Value	FOREIGN DEALS No	TOTAL US $ Value	TOTAL No.
Central Africa	Cameroon	2 400 000	3	None		2 400 000	3
	DRC	66 000 000	4	None		66 000 000	4
	Gabon	290 000 000	2	None		290 000 000	2
		358 400 000	**9**			**358 400 000**	**9**
East Africa	Burundi	None		100 000 000	1	100 000 000	1
	Ethiopia	24 000 000	8	None		24 000 000	8
	Kenya	789 736 132	53	None		789 736 132	53
	Rwanda	12 000 000	7	None		12 000 000	7
	Seychelles	27 800 000	1	None		27 800 000	1
	Tanzania	30 582 958	14	100 000 000	3	130 582 958	17
	Uganda	1 144 811 509	10	100 000 000	1	1 244 811 509	11
		2 028 930 599	**93**	**300 000 000**	**5**	**2 328 930 599**	**98**
North Africa	Algeria	undisclosed	2	None		undisclosed	2
	Egypt	2 651 788 410	38	None		2 651 788 410	38
	Morocco	50 830 620	8	None		50 830 620	8
	Tunisia	109 291 994	6	None		109 291 994	6
		2 811 911 024	**54**			**2 811 911 024**	**54**
Southern Africa	Angola	undisclosed	2	None		undisclosed	2
	Botswana	55 275 328	13	28 098 178	1	83 373 506	14
	Eswatini	3 337 712	1	28 098 178	1	31 435 890	2
	Lesotho	6 992 387	4	28 098 178	1	35 090 565	5
	Malawi	undisclosed	4	None		undisclosed	4
	Mauritius	131 902 752	6	100 000 000	1	231 902 752	7
	Mozambique	8 230 162	6	None		8 230 162	6
	Namibia	678 628 180	16	28 098 178	1	706 726 358	17
	Zambia	16 876 577	16	None		16 876 577	16
	Zimbabwe	5 700 383	10	None		5 700 383	10
		906 943 481	**78**	**212 392 712**	**5**	**1 119 336 193**	**83**
West Africa	Burkina Faso	45 700 000	2	None		45 700 000	2
	Côte d'Ivoire	5 053 764	6	41 544 716	1	46 598 480	7
	Ghana	614 200 188	9	None		614 200 188	9
	Guinea	13 342 621	4	None		13 342 621	4
	Liberia	7 500 000	3	None		7 500 000	3
	Mali	24 730 644	6	None		24 730 644	6
	Mauritania	3 366 815	1	None		3 366 815	1
	Nigeria	230 998 207	63	None		230 998 207	63
	Senegal	488 677 876	2	None		488 677 876	2
	Sierra Leone	4 740 000	3	None		4 740 000	3
	West Africa Region	undisclosed	1	None		undisclosed	1
		1 438 310 115	**100**	**41 544 716**	**1**	**1 479 854 831**	**101**
		7 544 495 219	**334**	**553 937 428**	**11**	**8 098 432 647**	**345**

DealMakers Africa classifies deals by the location of the target's Head Office or that of the acquirer/seller. Where the target has subsidiaries in an Africa country, the deal /transaction is classified as a foreign deal/transaction in that country. In this instance, local advisers to foreign deals are awarded credit only for deal flow.

Africa's Largest Deals Q1 – Q3 2020 (Excluding South Africa)

REGION	COUNTRY	NATURE OF DEAL	DETAILS	INVESTMENT ADVISER	LEGAL ADVISER	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE (US$)
North Africa	Egypt	Acquisition by	Saudi Telecom Company (STC) of a 55% stake in Vodafone Egypt from Vodafone			$2,4bn	Jan 29	$2,4bn
Southern Africa	Namibia	Acquisition by	Constancia Risk and Insurance and Conduit Ventures (Conduit Capital) from Trustco and Riskowitz Value Fund (reverse take-over) of Legal Shield	Merchantec Capital	Webber Wentzel	R10,44bn	Mar 27	$594,76
East Africa	Uganda	Acquisition by	Total of Tullow's entire stake in the Lake Albert development project including the East African Crude Oil Pipeline	Barclays Bank Plc; J.P.Morgan Cazenove; Robey Warshaw		$575m	Apr 23	$575
West Africa	Ghana	Disposal by	MTN to AT Sher Netherlands Coöperatief U.A. of a 49% equity holdings in Ghana Tower Interco B.V. and Uganda Interco B.V.		Paul Weiss	$523m	Jan 2	$523m
East Africa	Uganda	Disposal by	MTN to AT Sher Netherlands Coöperatief U.A. of a 49% equity holdings in Ghana Tower Interco B.V. and Uganda Interco B.V.		Paul Weiss	$523m	Jan 2	$523m
West Africa	Senegal	Disposal by	Cairn Energy of its entire 40% stake in the Rufisque Offshore, Sangomar Offshore and Sangomar Deep Offshore (RSSD) Contract Area to Woodside Petroleum (exercise of pre-empt right)			$300m plus up to $100m contingent	Aug 17	$300m
Central Africa	Gabon	Disposal by	Total Gabon of 7 mature non-operated offshore fields [Grondin, Gonelle, Barbier, Mandaros, Girelle, Pageau and Hylia] plus its interests in the Cap Lopez oil terminal to Perenco			$290m - $350m	Jul 30	$290m
East Africa	Kenya	Acquisition by	Network International of DPO Group	Evercore; Morgan Stanley	ENSafrica; Allen & Overy; Alston & Bird; Bowmans	$288m	Jul 28	$288m
West Africa	Senegal	Acquisition by	Helios Towers of the passive infrastructure assets (1,200 sites) of Free Senegal			€160m	Aug 12	$188,7m
North Africa	Egypt	Acquisition by	IMEX International of 49,760,408 shares in Nile Cotton Ginning Company not already held at EGP50 per share			EGP2,49bn	Aug 27	$157m

ESG takes centre stage in a post-pandemic Africa

WILDU DU PLESSIS

As African businesses begin to recover and build the necessary resilience to successfully navigate COVID-19 disruption, a focus on Environmental, Social and Governance (ESG) strategies is proving essential for long-term success. In order to stay competitive, organisations based in Africa are engaging meaningfully with ESG to build robust sustainability strategies that comply with global and local, mandatory and voluntary ESG standards and codes, and which align with their overall strategic priorities.

The definition of Environmental, Social and Governance (ESG) encompasses a broad range of issues across the spectrum of Environmental (climate change, biodiversity, waste, water and resource use, pollution), Social (human rights, labour practices, HSE, diversity); and Governance (corporate governance, ethics, compliance) matters.

Du Plessis

Post-COVID-19, the discussions around ESG are resulting in an added emphasis on the Social aspect – which focuses on protecting the health of an organisation's workers and the wider local populations in which these businesses operate. Organisations are looking at ways to build better social programmes that are more resilient to future pandemics and ensure good business practice. A focus on issues such as enhancing considerations around the health and safety of employees and communities, implementing diverse and inclusive workplace cultures, and building good management teams that are able to pull employees together in virtual settings, will put companies in a strong position to move forward.

The Governance aspect has also been emphasised by the pandemic, with an increased focus on due diligence around compliance with regards to anti-bribery and corruption, data privacy and cyber security legislation, for example.

As climate change impacts become clearer and nearer, there is also an added emphasis on the Environment aspect of ESG. There is a major role for ESG policies to play in mitigating some of the effects of climate change, through planning and building for hotter temperatures, higher sea levels and more extreme weather conditions, for example. Organisations are adopting new strategies that address climate change risk and identify the sustainable opportunities that arise from addressing climate concerns. To regulate this, there are likely to be developments from African regulators in the near future that address climate risk disclosure requirements for businesses operating on the continent.

The Governance aspect has also been emphasised by the pandemic, with an increased focus on due diligence around compliance with regards to anti-bribery and corruption, data privacy and cyber security legislation, for example. ESG risk management is expected to become a mainstream component of corporate due diligence programmes, and corporate boards are being held accountable for their ESG practices by their shareholders, stakeholders and management teams.

Some of the larger African jurisdictions already have mandatory ESG and sustainability reporting frameworks and, going forward, we are expecting more and more African regulators to replace current voluntary frameworks with mandatory ones, or to adopt new mandatory frameworks. In turn, organisations operating in Africa will seek guidance and more detail from corporate regulators on how they want to see ESG reported, and the practices behind the reporting process.

In South Africa, there are a number of laws that govern ESG factors, including business and financial sector conduct, economic and social empowerment and environmental protection. Voluntary codes such as the King IV Code on corporate governance and the Code for Responsible Investing in South Africa also serve as a guide to businesses on ESG considerations. Other examples include Kenya, where the Capital Markets Authority introduced Stewardship and Corporate Governance Codes in 2017, and Nigeria, where the Nigerian Code of Corporate Governance was introduced in 2019. Globally, in addition to numerous country-specific laws, there are a plethora of voluntary sustainability-focused codes and standards, including the UN Guiding Principles on Business and Human Rights and the UN Guiding Principles Reporting Framework.

The risks of non-compliance with the multitude of global and local laws, voluntary codes and best practices governing ESG factors range from criminal prosecution and hefty fines to reputational risk and business failure, as a result of not fulfilling ESG commitments. Alongside these developments, actual and perceived non-compliance with ESG regulations and best practices have engendered activist shareholder protests and action against the parent companies of global groups.

For African organisations, maintaining a long-term, sustainable strategy will ensure sound financial performance, full compliance with local and global laws and frameworks, and substantially increased resilience in a challenging post-pandemic environment. •

Du Plessis is Head of Africa for Baker McKenzie.

Africa's strong regional trade structures make for a compelling investment case in a less globalised world

AXEL SMEULDERS

While international trade and gross domestic product (GDP) growth have historically been highly connected, over the past decade these once inextricably-linked economic building blocks have been steadily decoupling. There are many reasons for this trend: not least is a growing sense of protectionism and political mistrust, as well as the global financial crises brought about by the 2008 credit crunch; but now, COVID-19 has certainly presented additional barriers to once burgeoning global free trade.

Ultimately, from a trade perspective, the once aspirational global village has started shutting its city gates and the world is becoming a much more regionally-focused place. This presents obvious challenges for export-dependent businesses, countries, and indeed, continents. Given that much of Africa has been export-dependent, and that most of the regions on the continent have long relied

on the hard currency derived from exports – rather than domestic or regional demand – to drive economic growth, this more regional trade focus presents many challenges – but also significant opportunities.

Of course, it could be argued, and quite compellingly, that most of Africa's exports are commodities, the essential nature of which offers the continent some protection from the negative impact of a shrinking global trade environment. But, while this is true to a degree, it has become patently clear in recent times that relying solely on the extraction and export of resources and commodities is not a sustainable economic model for Africa. Countries and economies on the continent need to find ways of adding value to these exports and, possibly more importantly, focusing on delivering that value closer to home, rather than simply sending it overseas. Expanding the continent's processing and manufacturing capabilities is an obvious way to achieve that.

As these regional trading blocs become more cohesive going forward, they will offer a significant source of economic protection and comfort in a world where global supply chains are all but falling apart.

A stronger focus on processing and manufacturing will not only allow Africa to derive more value from its exports; it will also create opportunities for countries to lower their own reliance on imports, create more sustainable and integrated supply chains and, ultimately, produce the goods needed to satisfy and grow their own markets.

The challenge, however, is that developing such a processing-led economy requires knowledge, skills and, of course, investment. Historically, foreign investment has been a catalyst to encourage skills transfer on the continent. Of course, such foreign investment requires an attractive economic and business environment, as well as compelling investment opportunities. The good news for Africa is that it offers both. While the continent still presents many business challenges, there's no denying that the combination of a burgeoning population, rising middle class, young workforce and many successful entrepreneurial businesses makes for an exciting investment proposition.

Add to this the fact that Africa has established regional markets which are increasingly being formalised into strong, regional trading blocs, the case for investment in African businesses is made even stronger.

These regional trade blocs enable sustainable and regionally-integrated supply chains, creating bigger markets and making regional trade easier by reducing red tape. The East African Community is a prime example, where the common external tariff shared by Kenya, Tanzania, Uganda, Rwanda, Burundi and South Sudan gives investors in the region access to a population of some 175 million, and a combined GDP of some US$193 billion.

As these regional trading blocs become more cohesive going forward, they will offer a significant source of economic protection and comfort in a world where global supply chains are all but falling apart. All of which creates a potentially massive win-win scenario for savvy companies and investors – both within Africa and abroad – who have the foresight to inject much needed equity into developing the processing and manufacturing capabilities of businesses operating in Africa's many regional trade blocs, in exchange for significant potential for sustainable returns for decades to come. •

Smeulders is a Principal: Corporate Finance – Head of Africa Region, Nedbank CIB.

M&A trends to expect in Ethiopia

ROBERT APPELBAUM AND LEIGH LAMBRECHTS

The Grand Ethiopian Renaissance Dam (also known as GERD) – which will go a long way towards helping Ethiopia solve its energy-generation problems – has attracted a great deal of media attention in recent times. But there is much more than this going on in Ethiopia at present. The country is starting to open up and liberalise previously-closed sectors to foreign investment after the COVID-19 lockdown protocols.


Lambrechts


Appelbaum

Through our own experience, from market analysis and discussions with key individuals in Ethiopia, it seems that the country is likely to be the next powerhouse, or at least one of the powerhouses, in Africa. With a growing population of approximately 109 million, the percentage of middle-income households is likely to increase. Ethiopia has a few key sectors that will certainly need investment to meet demands in the not-too-distant future. This means that investments into businesses and industries are expected to rise.

There are also certain tax incentives in Ethiopia which are focused on specific sectors of the economy. These include electricity generation, transmission and distribution; manufacturing; information and communication technology (ICT); industrial park development; exports; tourism and hospitality; pharmaceuticals; and agriculture. These incentives include, for example, income tax exemptions for certain categories of manufacturing for up to six years, and exemptions for as long as ten years in the agricultural sector.

Combining the COVID-19 pandemic, the GERD and the policy reforms employed through the Ethiopian privatisation programme creates a melting pot which may have the right ingredients to ensure Ethiopia is ripe with opportunities for foreign investment. The privatisation programme will allow both domestic and foreign investors to purchase shares in previously publicly-owned entities.

Another industry where a renewed interest is being observed is in the healthcare sector. Ethiopia is currently in third place on the list of the top six African countries, in terms of the import of medical supplies. It desperately needs its medical sector to be modernised, making this industry, as well as local manufacturing, a prime opportunity for investment and growth.

The Public Enterprises Holding Administration Agency in Ethiopia recently said that, within the current budget year, eleven public enterprises will be tabled for privatisation, although not all of the entities to be tabled have yet been disclosed.

The logistics sector, which was previously closed to foreign investors, will soon see some reform. Through the application of a more open multimodal scheme, the sector will be opened to foreign investors and Ethiopian-born foreign nationals, as well as domestic investors impartially, with local companies being limited to a maximum percentage share of 51%.

The cement sector, which has been closed to new entrants for the last five years through a prohibition on the issue of licences, will be impacted by the investment regulations, which are expected to encourage new investors. In the power sector, foreign investors will be permitted to undertake operations involving the generation and distribution of electricity. Only the export of electricity will be restricted: foreign investors will be obliged to partner with the state if they plan to operate in this area. The transport and entertainment sectors will also permit foreign investment under the new regulations.

The Ethiopian Government recently announced plans to open up the ICT sector by offering the government-owned and operated telecommunications provider's shares to foreign investors and local Ethiopians. The government will retain 55%, with 40% being offered to foreign operators and 5% to local Ethiopians. Towards the end of last month, Ethiopia's Minister of Finance announced that international telecommunication operators would be invited to bid for 40% of the shares in Ethio Telecom. Twelve international telecommunication companies have indicated that they intend to bid, including MTN, Saudi Telecom Company and Telkom SA. The Minister has also said that two new international telecom operators will be invited into Ethiopia, with the offer of two new telecommunication licences, opening the industry up to competition. There is, however, some speculation that the partial privatisation of Ethio Telecom does not have the support of all key stakeholders and that finalisation may be delayed until early 2021.

Ethiopian Airlines is also a key contender for investment and expansion. It is arguably the largest airline in Africa and is well placed to become a regional airline carrier, after a number of national airlines in Africa were decimated by lockdowns which brought airline operations to a halt. Ethiopian Airlines is already increasing capacity on flights. It rode out six months of the COVID-19 crisis by maximising operations as a cargo carrier, capitalising on the boom in demand during the height of the pandemic. Tourism Ethiopia confirmed in early October that the tourism sector would be fully re-opened by the end of October, further supporting Ethiopian Airlines. Hotels, tourist attractions and other leisure services will now have the opportunity to innovate to recover from the past few months. Visitors to Ethiopia will have noticed that, except for a handful of international hotels in Addis Ababa, the country lacks top-class tourism venues.

According to the regulations published on the Ethiopian Investment Commission's website, foreign investment will not be permitted in the financial sector, insurance, brokerage services, security, media services or legal consultancy, and will all remain reserved solely for local investors. Although, according to investment advisors in Ethiopia, financial services will be opened to foreign investors in the future.

Another industry where a renewed interest is being observed is in the healthcare sector. Ethiopia is currently in third place on the list of the top six African countries, in terms of the import of medical supplies. It desperately needs its medical sector to be modernised, making this industry, as well as local manufacturing, a prime opportunity for investment and growth.

The industries that are likely to continue prospering after the COVID-19 pandemic overlap with the sectors that the Ethiopian Government has earmarked for investment, which should benefit the implementation of the new regulations. Private equity firms with surplus cash may well look to invest in sectors such as ICT, energy, healthcare and the hospitality industry.

Appelbaum is a Partner and Lambrechts a Senior Associate in Corporate and Commercial at Webber Wentzel.

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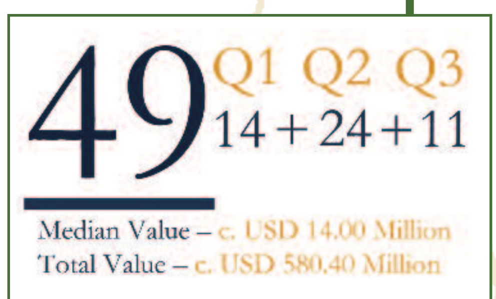
East Africa private equity activity in review – Q1 –Q3 2020

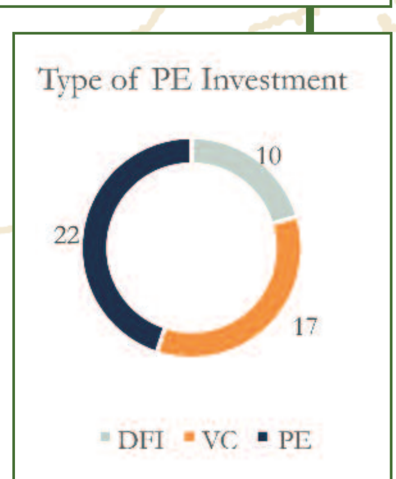
KEVIN KURIA

Investments & Exits

Private equity's slow down in investment activity in Q3 2020 can largely be attributed to the coronavirus pandemic. 11 deals with a disclosed deal value of c. US$144 million were recorded in the three months to September, down from disclosed deal values of c. US$220 million and c. US$216 million in Q1 and Q2. The median deal value, however, increased to c. US$14 million from c. US$10,5 million as at June.



The exit market remains subdued with just one exit having been announced in July. Whilst poor performance due to COVID-19 is likely to impede exit activity, fund life pressures may catalyse some exits in the year. Anecdotal evidence from our market participation suggests that, in some instances, exits are being completed to promoters, transactions which are mostly unannounced.



Q3 2020 Fund Raising

Fundraising activity in Africa has been reduced in 2020, as fund due diligence has been prolonged by the travel restrictions of COVID-19 and investors turned focus to their existing investments in the wake of the pandemic. The industry, however, continues to demonstrate resilience and confidence in the African market. The Africa Venture Capital Association (AVCA) reports that 'by the end of H1 2020, Africa's private equity industry received commitments of US$1,1 billion (including both interim and final closes). Below are some of the financial closes announced in Q3 2020, by funds actively investing in East Africa.

Sector	Number	Deal size (M USD)
Agriculture	8	28.95
Education	2	2.50
Energy	4	195.00
Finserv	5	70.50
FMCG	2	22.00
F&B	5	56.00
Healthcare	4	21.00
ICT	14	95.90
Logistics	2	Undisclosed
Manufacturing	1	Undisclosed
Real Estate	2	100.00

XSML achieves first close of its African Rivers Fund III

XSML, a private equity fund manager active in Central and East Africa, has announced the first close of its African Rivers Fund III (ARF III) at US$54 million. For this first close, BIO (Belgium Investment Company for Developing Countries), the Dutch Good Growth Fund (DGGF, managed by Triple Jump), FMO (the Dutch development bank) and IFC (a member of the World Bank Group), which are all existing investors in Fund I and/or II, are joined by Swedfund (the Swedish Development Finance Institution) and the SDG Frontier Fund (which includes nine private and institutional investors from Belgium). XSML expects to achieve final close in the next 12 months at US$80 million.


Kuria

BlueOrchard achieves final close

Swiss impact investment manager, BlueOrchard Finance Ltd (BlueOrchard), has held the final close of the InsuResilience Investment Fund (IIF) Private Equity Sub-Fund, an initiative to improve access to climate insurance across the developing world. The fund has already made six investments across emerging markets, helping to protect more than 20 million poor and vulnerable people from the effects of climate change.

Kuria is a Senior Associate with I&M Burbidge Capital, Kenya (stories sourced from Africa Private Equity News).

DealMakers AFRICA LEAGUE TABLE CRITERIA

1. **DealMakers AFRICA** tracks M&A and other corporate finance activity across the African continent. Transactions are recorded by country and region.
2. **DealMakers AFRICA** records the following advisory roles
   a. Investment / financial / corporate advisor
   b. Legal advisor
3. **DealMakers AFRICA** records transactions in two category types:
   a. Mergers & Acquisitions (M&A). This is defined as resulting in new parties acquring exposure to new growth opportunities that they did not have prior to the conclusion of the transaction in question.
   b. General Corporate Finance (GCF). This includes –
      i. IPO's and share issues
      ii. Share repurchases
      iii. Unbundlings
      iv. Project funding/debt facilities
4. Transactions are recorded at announcement date except in the following cases:
   a. Rights issues are recorded at shareholder approval date.
   b. Listings are recorded at date of listing.
   c. If a deal has not been publicly announced but a company has approved the disclosure of the deal to **DealMakers AFRICA**, the signature date will be used.
   d. **DealMakers AFRICA** tables record deals by calendar year – January to December.
5. Transaction classification (Foreign vs Local)
   a. Local deals involve the acquisition or disposal by a company headquartered in an African country (other than South Africa) or an asset that is based in an African country (other than South Africa).
   b. Example : A UK-based firm buys a gold mine in Ghana. This is a local deal as the asset is based in Ghana, regardless of who made the purchase or sale.
   c. Foreign deals are recorded when a company being acquired is based in a non-African country, but has subsidiaries/assets in one or more African countries and the sale agreement requires local input to complete the deal – e.g. competition clearance.
6. Advisory credit
   a. Firms advising on local deals will get both deal value and deal flow credit.
   b. Local advisory teams will get deal flow credit for foreign deals.

c. If the advisory firm's role is not listed on the company announcement, proof must be submitted to DealMakers AFRICA.
d. If an advisory firm advises both parties to a deal, advisory credit will only be given once.
e. Advisors to advisors will not be credited other than in the case of bookrunners to IPO's, rights issues and listings.
f. Companies with offices in multiple countries – deal credit will be awarded under the local entity trading name, but the rankings for the region will be made under the group global name (this applies only to regional group offices and not to member affiliations).

7. Additional notes :
    a. Deal values are recorded in the currency announced and converted to US$ for ranking purposes using the exchange rate on the recorded date.
    b. Schemes of arrangements/offers will be included at the maximum consideration until such time as the results are released, at which point the database will be updated.
    c. Acquisition or disposal of properties by property companies – only deals with a minimum value of $10m will be included for ranking purposes (smaller deals will be included for information purposes only and to showcase the advisory firms scope of work, but will not count towards the rankings).
    d. Debt/funding transactions – only transactions valued at $20m and above will be included for ranking purposes (smaller deals will be included for information purposes only and to showcase the advisory firms scope of work, but will not count towards the rankings).
    e. Any deal that has failed, will be recorded in the tables for information purposes only and will not be included for rankings.
    f. Advisory firms are asked to submit their list of deals by the end of the first week after the close of each quarter. These lists will be checked against our databases and any queries or discrepancies dealt with. Firms will be asked to check and sign off on a final list of transactions credited to them before publishing.

8. DealMakers AFRICA does not accept responsibility for any errors or omissions.

RANKINGS

DealMakers AFRICA will publish transactions for all African countries, but at this stage rankings will only be published for EAST, WEST Africa and pan-Africa regions on an annual basis.

Two types of rankings will be published for each region

- M&A by deal value and deal flow.
- GCF by transaction value and transaction flow.

1995
Brunswick opens office in South Africa

1998
Sanlam rides demutualisation wave, lists on JSE and NSX

1999
Standard Bank dodges Nedbank take-over

2001
$17.6 billion deal to make De Beers Private company

2003
SA comes to New York as Telkom debuts on NYSE

2004-2005
Gold Fields sees off hostile Harmony

2005
Absa buys Barclays SA for R578m

2006
MTN in $5.5 bn agreed takeover of Investcom

2007
Tribunal's approval opens way for R14bn Holcim BEE deal

2008
Tiger makes play for AVI

2009
Anglo American stops Xstrata in its tracks

2010
Kagiso, Tiso announce R12bn merger of equals

2011
Walmart – Massmart deal approved with conditions

2012
Barclays Africa seals £1.3bn Absa deal

2013
Afrisam freed of R15bn debt burden in restructuring

2014
Woolworths buys David Jones for $2bn

2015
@schoolpower backs #ADvTECH board to scupper #Curro bid

2016
South Africa clears ABInBev's takeover of SABMiller

2017
Lafarge to merge Nigerian units to simplify ownership structure

2018
– Old Mutual returns to African roots with Johannesburg listing;
– Access Bank to take over Diamond Bank in $200 million deal

2019
PepsiCo targets African growth with offer to acquire Pioneer Foods –
MultiChoice unbundling unlocks R57bn for Naspers –
Naspers' Prosus lists in Amsterdam at $100 billion valuation –

2020
Airtel Malawi IPO sets record with local listing

Proudly celebrating

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the biggest and most important deals since 1995.

We look forward to continuing this journey
as the leading firm for M&A across Africa.

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