AVCA’s Spotlight on Southern Africa Private Equity provides a summary of recent private equity ("PE") activity in the region.

Key findings:

- Between 2007 - 14, there were 341 reported PE deals in Southern Africa totalling US$6.7bn
- South Africa has the most mature and sophisticated market for PE in the region (and on the continent), accounting for 76% of the deal volume and 92% of the deal value in Southern Africa from 2007 - 2014
- Annual deal volumes in the region have been trending downwards slightly since 2012, in part due to slower growth in South Africa and lower prices for commodities affecting the region. Overall, Southern Africa’s share of deal activity in Africa declined from 37% in 2007 - 2010 to 31% in 2011 - 2014
- There were 127 PE exits in Southern Africa from 2007 - 2014. Sales to trade buyers – many to South African companies looking to expand their footprint within South Africa and across the region – accounted for a large proportion of exits

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

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#### Key learnings
- South Africa offers a unique combination of world-class infrastructure, a stable emerging market economy, and convenient access to Sub-Saharan Africa.
- A growing middle class, increasing urbanisation, under-penetration of private label offerings and demand for affordable product solutions is driving above-average growth in the FMCG and out of home eating sectors.
- South Africa has demonstrated its ability to deploy locally-developed skills and industry expertise, acting as an ideal gateway into the region.
- Falling trade barriers and increasing integration is supporting the development of the regional market.

#### Spotlights

**Company: Liberty Star Consumer Holdings**
- **Country:** South Africa
- **PE Investor:** Metier and co-investors
- **Sector:** Consumer Staples
- **Entry Date:** December 2006
- **Exit Date:** October 2014
- **Exit Route:** PE
- **Returns:** Not disclosed

**Company: Newpack**
- **Country:** Madagascar
- **PE Investor:** Adenia Partners
- **Sector:** Materials
- **Entry Date:** June 2008
- **Exit Date:** October 2014
- **Exit Route:** Management Buyout
- **Returns:** 3.0x multiple (Euro basis)

**Company: Globeleq Africa**
- **Country:** South Africa, Tanzania, Cote d’Ivoire, Cameroon, Kenya
- **PE Investor:** Actis
- **Sector:** Utilities
- **Entry Date:** September 2009
- **Exit Date:** September 2015
- **Exit Route:** Other
- **Returns:** Not disclosed

#### Key learnings
- A local office and strong relationships with domestic businesses – through extensive professional, social and community engagements – are critical in managing political, legal and business integrity risks in Madagascar.
- Proprietary deals usually take longer to secure, but are more lucrative.
- A well-constructed and executed ESG strategy is crucial for creating value, both financial and in terms of risk reduction, in portfolio companies in the country.
- Careful asset selection allows strong returns, even in a context of political / macroeconomic crisis.

### Methodology
Private equity (PE) is defined as both private equity and venture capital. Transactions cover all deals made by private equity firms across all sectors, including infrastructure. It excludes PIPE transactions where the PE firm was unlikely to have any influence on company strategy.

Transaction dates are taken to be the date on which the deal is announced, unless otherwise specified.

Deal size includes equity, mezzanine, senior debt and co-investments (where available).

Sectors for transactions are based on Global Industry Classification Standard classifications.

Transaction dates are taken to be the date on which the deal is announced, unless otherwise specified.

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