



i&M Burbidge Capital

EAST AFRICA FINANCIAL REVIEW

APRIL 2019



© Digital Photography School

April in Numbers



IMBC Deal of the Month:



IFC and Foundation Capital's investment in Branch International.

5

The number of disclosed deals in EA

193.6

Disclosed deal value in USD million

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

~Larry Ellison, co-founder of Oracle



In this Issue:

Deal Statistics 3

Key Market Indicators 4

Selected Deal Summary 5

Upcoming Events 6



The Editorial Team

EDWARD BURBIDGE | LINDA OBWORA

April kick-started the second quarter of 2019 with 5 deals valued at USD 193.6 million. This brings the total deal value and volume for the year to date to c. USD 847.4 million and 26 respectively.

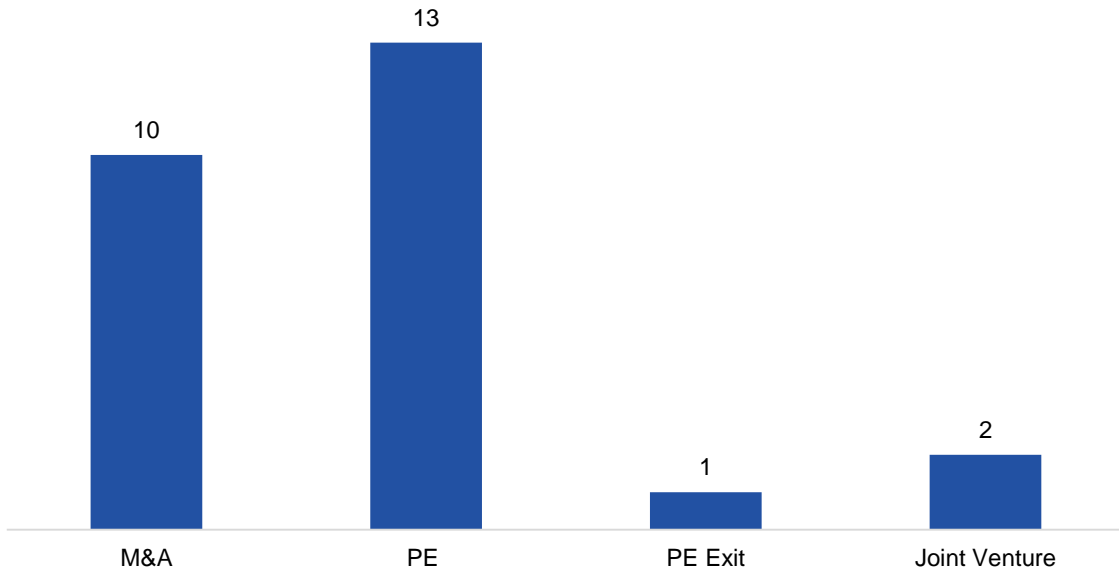
IMBC's deal of the month is the investment by IFC, Foundation Capital and other investors in mobile loans company, Branch International. The investment of USD 170 million was part of Branch's Series C financing round aimed at raising capital to finance its operations in Africa as well as India and Latin America.

During the month of April the NASI was on an upward trend driven by growth in large cap stocks such as EABL. The NSE 20 and NSE 25 recorded mixed performance throughout the month to close at 2,796.84 and 3,908.71 respectively.

In other trading activity, top gainers during the month included I&M Holdings Plc which increased by 41.5% YTD and Express Kenya which increased by 32.0% YTD. Uchumi Supermarkets experienced the highest decline of 52.5% YTD.

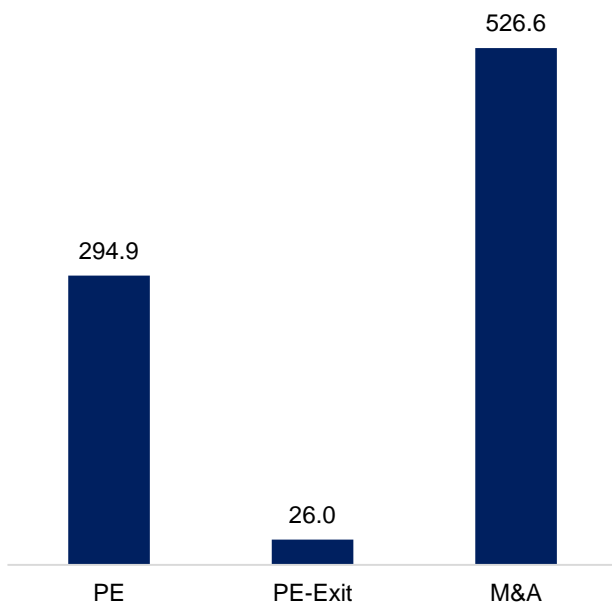
Edward Burbidge, CFA & IMBC EA Review Team

TOTAL NUMBER OF DEALS IN EA-2019 YTD

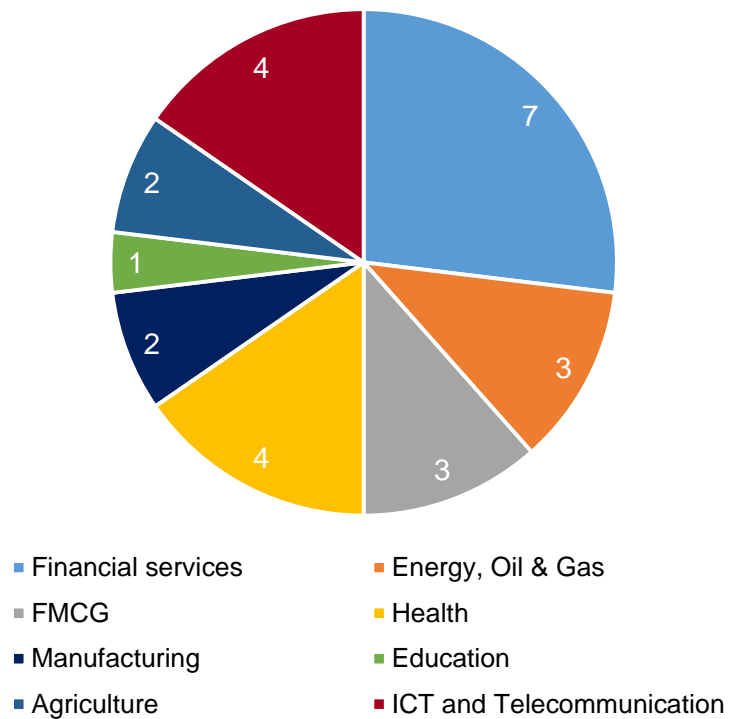


Deal Size YTD 2019 in USD M

■ Deal Size



NUMBER OF DEALS PER SECTOR



Yields on Government Securities

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

Inflation Rates

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

GDP Growth Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2018 estimated GDP growth rate	5.9%	6.7%	5.3%	7.2%
2019 forecasted growth rate	6.0%	4.0%	5.5%	7.8%

Central Bank Rates

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

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
07-Apr-19	Undisclosed	Sanlam Investments East Africa	7.3	Financial Services	M&A	Kenya	Sanlam Group, a South African financial services firm, 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.
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, led a USD 170 million Series C funding in African-based financial app, Branch. The capital comprises USD 100.0 million debt financing and USD 70.0 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.
08-Apr-19	DEG	Kevian Kenya	11.00	FMCG	PE - Debt	Kenya	Kevian Kenya, maker of Afia and Pick 'N' Peel juice brands has received an additional €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 €7 million (KES 791 million) issued to the Thika-based company in 2012.
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 226.358 million (USD 2.25 million), in a privately negotiated transaction.

Events	Date	Venue	Theme
IFC's 21st Annual Global Private Equity Conference in association with EMPEA	13 - 16 May 2019	The Ritz-Carlton, Washington DC	Join IFC and EMPEA for the 21st edition of the Conference, as they build off of last year's record attendance of 900 investment professionals for thought-provoking discussions, debates and analyses of the latest issues, news, and trends that will help investors succeed in today's market.
International Conference on Finance, Bank & Economics	12 June 2019	Ibis Styles Hotel Westlands Nairobi, Nairobi, Kenya	The International Conference on Finance, Bank & Economics will create a global platform to researches, scientists, academicians, policymakers, industry experts to share experiences, discuss research findings and acquire and the desired knowledge in the subject from around the world with many networking opportunities.
5th Annual Private Equity in East Africa Conference	13 June 2019	The Sheraton, Addis Ababa, Ethiopia	Now in its 5th year, the EAVCA annual conference is the region's largest convening of global and local institutional investors, investment professionals and professional service providers. The highly interactive agenda features discussions and debates on the opportunities in East Africa, workshops on solutions to common challenges, networking sessions, and plenaries with leading thinkers in the private equity and venture capital space.

I&M Burbidge Capital Limited is a corporate finance firm licensed by the Capital Markets Authority and a licensed Nominated Advisor by the Nairobi Securities Exchange, creating long term advisory relationships & solutions across Eastern Africa.

ADVISORY SERVICES:

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

Head Office

3rd Floor, Block A, Eldama Park
Eldama Ravine Road,
Westlands
P.O Box 51525-00100
Nairobi, Kenya
Tel: +254 (0) 20 3221160

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



LINDA OBWORA, Analyst



Linda.Obwora@imburbidgecapital.com

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

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