



i&M Burbidge Capital

EAST AFRICA FINANCIAL REVIEW


MAY 2019



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May in Numbers



IMBC Deal of the Month:



Rise Fund's Investment in Zipline.

8 The number of disclosed deals in EA

80.2

Disclosed deal value in USD million

"Finance is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship and, therefore, about achieving the good society."

~Robert J. Shiller



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The Editorial Team

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There were 8 disclosed corporate deals in the month of May up from the 5 disclosed in April 2019. The total disclosed deal value however declined to USD 80.2 million compared to USD 193.6 million in April due to the lack of disclosure of value in most of the PE deals in the region. This brings the total deal value and volume for the year to date to approximately USD 859.4 million and 34 respectively.

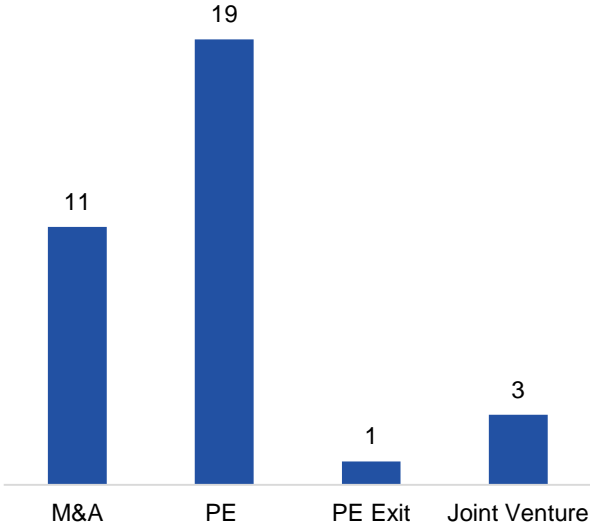
IMBC's deal of the month is the investment by the Rise Fund, a global impact investment fund managed by TPG Growth, in Zipline. Launched in Rwanda in October of 2016, Zipline uses drones to rapidly deliver vital medical supplies. Health workers are able place orders by text message and receive their deliveries in 30 minutes on average.

During the month of May, the listed equities market was on a downward trend, with NASI, NSE 20 and NSE 25 declining by 4.7%, 4.3% and 7.5% respectively. Overall, the market recorded average daily trading of USD 5.6 million compared to USD 4.9 million in April 2019. The market also experienced net foreign investor inflows with investors injecting USD 21.5 million into the market.

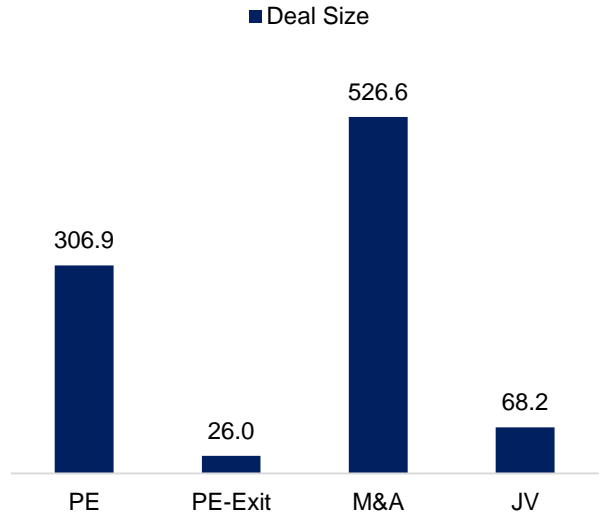
In other trading activity, top gainers during the month included Home Afrika which increased by 43.1% (YTD – increase of 4.3%) and Sameer Africa which increased by 42.9% (YTD – increase of 62.2%). Scangroup Ltd experienced the highest decline of 33.9% (YTD – decline of 14.3%).

Edward Burbidge, CFA & IMBC EA Review Team

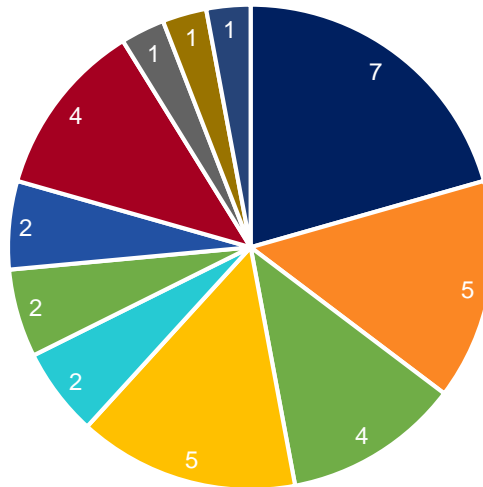
TOTAL NUMBER OF DEALS IN EA-2019 YTD



DEAL SIZE IN USD M – 2019 YTD 2019



NUMBER OF DEALS PER SECTOR



- Financial services
- Energy, Oil & Gas
- FMCG
- Health
- Manufacturing
- Education
- Agriculture
- ICT and Telecommunication
- Logistics
- Entertainment
- Environment

Yields on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	7.2%	10.7%	10.9%	12.3%
Tanzania	4.2%	11.4%	9.2%	14.9%
Uganda	9.0%	14.0%	15.4%	15.8%

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 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	Prevailing 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%	6.50%
Central Bank of Nigeria (Nigeria)	14.00%	13.50%
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
03-May-19	Actus Education Holding AB	Riara Group of Schools	Undisclosed	Education	PE	Kenya	Private equity firm, Actus Equity, (through its Kenyan subsidiary Actus Education Holding AB) acquired a 22.32 percent stake in the holding company that runs the Riara Group of Schools' six learning institutions.
07-May-19	CDC Group		68.20	Energy	JV	Kenya	CDC Group plc will provide GBP 52 million (USD 68.2 million/EUR 60.8 million) 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%, leaving 10% for Africa Energy Development Corporation (AEDC), the originator of the project.
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.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
15-May-19	Investor Group	CarePay	Undisclosed	Healthcare	PE	Kenya	Amsterdam and Nairobi-based CarePay International, a mobile health payments platform completed a \$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
20-May-19	Engie RDE and other investors	Sistema Bio	12	Energy	PE	Kenya	Biogas products firm Sistema.Bio 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.
21-May-19	Tenlot Group Limited	Kenya Charity Sweepstake Ltd	Undisclosed	Gambling	M&A	Kenya	Tenlot Group Limited of the UK, a unit of the Elenilto Group Limited acquired an 85% in Kenya Charity Sweepstake Limited, a Nairobi based provider of gambling services.
24-May-19	Rise Fund	Zipline	Undisclosed	Technology /Logistics	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.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
24-May-19	DOB Equity	Zanrec Ltd	Undisclosed	Waste Mgmt.	PE	TZ	<p>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.</p> <p>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.</p>

Events	Date	Venue	Theme
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.
Finnovation Kenya	18 June 2019	Radisson Blu Hotel Nairobi Upper Hill, Nairobi, Kenya	Combining a highly innovative and interactive event format with world-class speakers and more than 300 carefully selected participants, Finnovation Africa: Kenya, to be held at the Radisson Blu Nairobi on the 18th of June 2019, will tackle the most pressing questions for the progress of FinTech and the positive transformation of banking in Africa, providing a platform for all stakeholders to engage in creating the future of financial services on the continent – from established banking powerhouses to FinTech start-ups.

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ADVISORY SERVICES:

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