

EAST AFRICA FINANCIAL REVIEW

JANUARY 2020



IN THIS ISSUE

Deal Statistics 3

Key Market Indicators 5

Selected Deals 6

Upcoming Events 9

January in Numbers:

7

The number of disclosed deals in EA

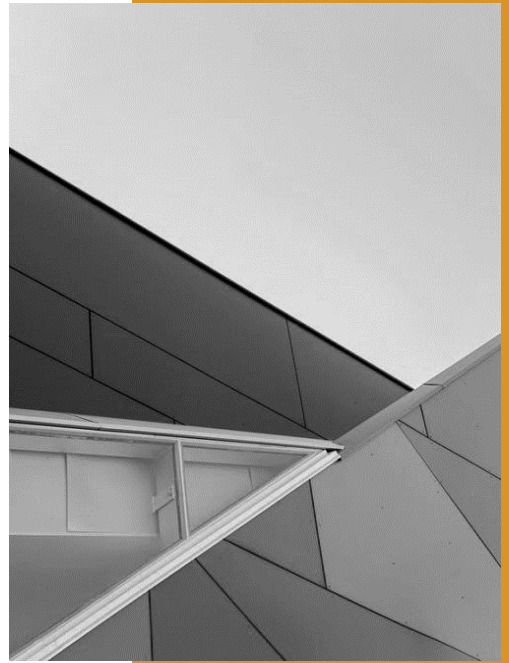
86.1

Disclosed deal value in USD million



IMBC Deal of the Month:

USD 20 million Series B investment into Sendy led by Atlantic Ventures with participation from Toyota Tsusho.



The Editorial Team

EDWARD BURBIDGE | KEVIN KURIA

Deal Making in East Africa in January was off to a positive start to the new decade with 7 corporate transactions having been disclosed, 3 of which had disclosed deal values totalling to c. USD 86 million. The performance, however, falls short of the record 13 transactions valued at c. USD 615 million disclosed in January 2019. The ICT sector recorded the most number of transactions with 3 investments. Most of the transactions were private equity investments with a disclosed deal value of USD 76 million.






IMBC's deal of the month is the Series B equity investment of USD 20 million in Sendy led by Atlantic Ventures with participation from Toyota Tsusho, a trade and investment arm of Japanese automotive company Toyota. The investment comes within 6 months of a USD 20 million series B capital raise for Nigerian trucking logistics startup Kobo360 and a series A capital raise for East African tech enabled logistics start up Lori Systems indicating the tremendous level of investor interest in tech enabled solutions for Africa's logistics challenges.

The market kicked off the year on a poor note, with the NASI, NSE 20 and NSE 25 down by 2%, 2.6% and 1.9% respectively compared to gains of 4.4%, 7.1% and 9.1% in January 2019. The average daily turnover was c. USD 5.57 Million, down from c. USD 6.83 Million in January 2019. However, the period recorded positive net investor inflows of USD 5.27 Million compared to negative net investor inflows of USD 13.38 Million in January 2019.

Top gainers during the month included Kenya Airways which increased by 22.0% and Olympia Capital which increased by 11.4%. Flame Tree Group experienced the highest monthly decline of 30.0%.

PART I : DEAL STATISTICS

Analysis by Sector

Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
 Financial Services	1	Undisclosed
 FMCG	1	Undisclosed
 Agribusiness	1	10.01
 Food & Beverage	1	56.00
 ICT and Telecom	3	20.00

Analysis by Type of Transaction

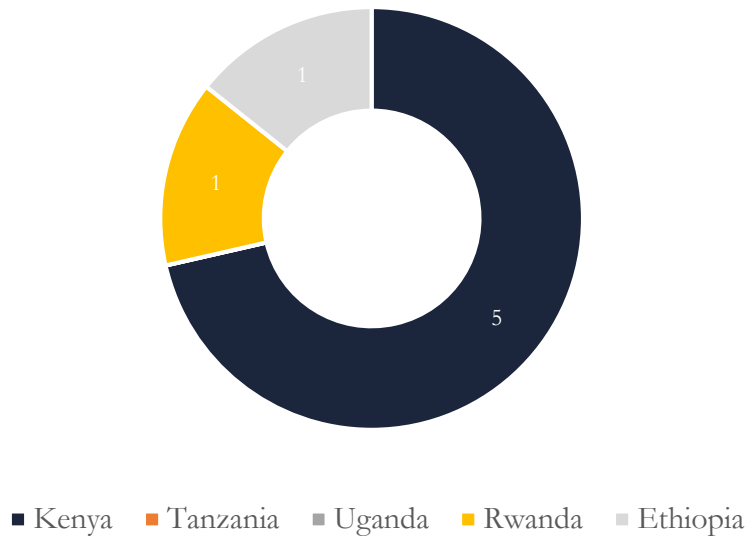
TOTAL NUMBER OF DEALS IN EA - 2020 YTD



PART I : DEAL STATISTICS

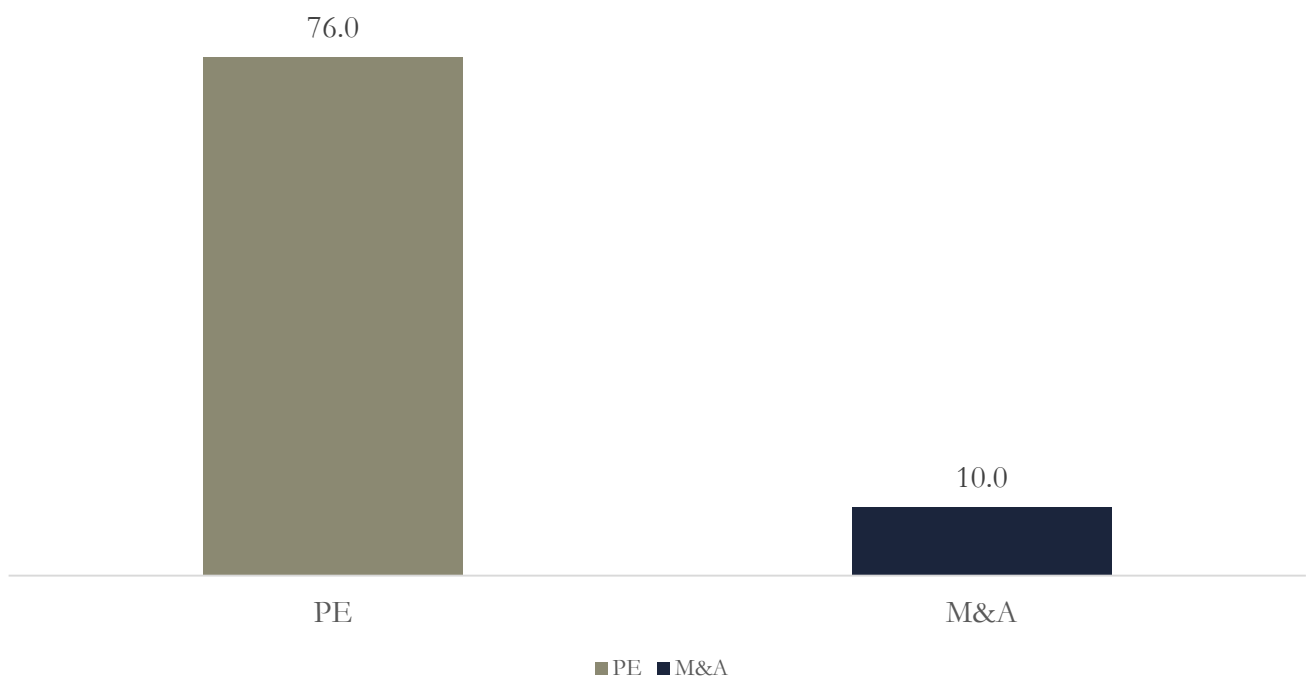
Analysis by Country

NUMBER OF DEALS PER COUNTRY



*Deals in the “Sector Analysis” table that have an impact on a company’s operations in more than one country have been treated as a single deal. In the “Analysis by Country” chart above, each country operation has been considered as a separate deal. There is therefore a mismatch between the “Sector Analysis” and “Analysis by Country” deal numbers.

DEAL SIZE YTD 2020 IN USD M



PART II : KEY MARKET INDICATORS

Yields on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	7.30%	9.88%	11.30%	12.43%
Tanzania	3.50%	10.26%	11.95%	14.53%
Uganda	10.00%	14.15%	15.50%	15.25%

Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2019 actual Inflation	5.82%	3.80%	3.60%	3.19%
2020 Projected Inflation	5.30%	4.19%	3.40%	5.00%

GDP Growth Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2019 estimated GDP growth rate	5.80%	6.90%	6.50%	8.50%
2020 forecasted growth rate	5.90%	5.80%	6.50%	8.10%

Central Bank Rates

Country/Region	Previous rate	Rate as at January 2020
Central Bank of Kenya (Kenya)	8.50%	8.25%
Bank of Uganda (Uganda)	9.00%	9.00%
Bank of Tanzania (Tanzania)	7.00%	7.00%
South African Reserve Bank (RSA)	6.50%	6.25%
Central Bank of Nigeria (Nigeria)	13.50%	13.50%
Central Bank of Egypt (Egypt)	12.25%	13.25%
Bank of England (UK)	0.75%	0.75%
Federal Reserve Bank (USA)	1.75%	1.75%
European Central Bank (EU)	0.00%	0.00%

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
6-Jan-20	IFC	Habesha Breweries	56	Food & Beverages	PE (DFI)	Ethiopia	The International Finance Corporation was set to invest up to €50 million (US\$56 million) in Ethiopia's Habesha Breweries. This project will not only support the company in expanding its operations in the country, but will have a wider, ripple effect of increasing the sourcing of barley from smallholders, doubling farm yields and raising incomes.
16-Jan-20	Shorooq Partners	QuickBus	Undisclosed	ICT	PE - VC	Kenya	Nairobi based bus booking platform QuickBus, a startup that enables bus travellers to compare prices and book tickets on its platform, raised an undisclosed seed round in a round led by UAE based venture capital firm Shorooq Partners.
17-Jan-20	Grand Lacs Trading SA	Mata Tea Company Ltd	10.01	Agriculture	M&A	Rwanda	Grand Lacs Trading SA signed an agreement to acquire Gisakura Tea Company Ltd, a Kigali-based manufacturer of tea products, from Jay Shree Tea & Industries Ltd. The combined value of two transactions was to be a total estimated RWF 9.387 billion (USD 10.00 million).
20-Jan-20	Amethis Capital	Naivas Ltd	Undisclosed	FMCG	PE	Kenya	Amethis Fund II (Amethis) of France, a unit of Amethis Advisory Sas, planned to acquire a 30% stake in Naivas Ltd, a Nairobi-based supermarket operator, in a privately negotiated transaction.
23-Jan-20	Ascent Capital	Fanisi Capital	Undisclosed	Financial Services	M&A	Kenya	East Africa-focused private equity firms Fanisi Capital and Ascent Capital were set to merge and raise funds for bigger deals in the region.
28-Jan-20	HAVAIC	Tanda	Undisclosed	ICT	PE - VC	Kenya	Kenyan retail-tech startup Tanda raised a seed round of funding from South African VC firm HAVAIC to expand its operations. Tanda allows shop owners to access inventory on credit, and also become access points for essential services such as airtime, utility payments, banking and insurance services for their customers.
29-Jan-20	Atlantic Ventures	Sendy	20	ICT	PE	Kenya	Sendy, a business-to-business platform that offers on-demand door-to-door package delivery services for small, medium, and large businesses raised USD 20 million in its Series B funding round led by Atlantic Ventures with participation from Toyota Tsusho.

PART VI : UPCOMING EVENTS/CONFERENCES



25 - 27
Feb
2020

SAVCA Private Equity in Southern Africa Conference **Stellenbosch, South Africa**

With an emphasis on words starting with “Co”, the conference will showcase various aspects affecting the industry with particular emphasis on opportunities to Connect, exploring ways to Collaborate and ultimately to Commit to the future and growth of the industry and the country.

03
March
2020

Deal Makers Africa Annual Gala Awards **Nairobi, Kenya**

2nd annual award ceremony held for the Deal of the Year and Private Equity Deal of the Year.

10 - 11
March
2020

The Network Forum Africa Meeting **Johannesburg, South Africa**

This meeting is the key gathering point for over 130+ capital market leaders from an asset management and servicing, investment banking and custody background.

14 - 15
May
2020

Capital Raising Seminar **Strathmore Business School, Nairobi, Kenya**

A seminar hosted by I&M Burbidge Capital Limited and the ISBI Institute @ Strathmore covering topics such as Capital Raising Process; Valuation; Business Structure among others.



About I&M Burbidge Capital

I&M Burbidge Capital Limited is a corporate finance firm licensed by the Capital Markets Authority creating long term advisory relationships & solutions across Eastern Africa.

Our Services

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

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

We have a select 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 viraj.shah@imburbidgecapital.com.

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

Editorial Team



EDWARD BURBIDGE, CEO



Edward.Burbidge@imburbidgecapital.com



KEVIN KURIA, Senior Associate



Kevin.Kuria@imburbidgecapital.com

DISCLAIMER

This document has been prepared on the basis of information and forecasts in the public domain. None of the information on which the document is based has been independently verified by *I&M Burbidge Capital Limited* nor its affiliate bodies and associates, who do not take responsibility for the content thereof and do not accept any liability with respect to the accuracy or completeness, or in relation to the use by any recipient of the information, projections, opinions contained in this document.

This document is purely for information purposes only and should not be relied upon to make any investment decisions or any other decisions. Any liability is disclaimed, including incidental or consequential damages arising from error or omission in this document.