



Burbidge
Capital

EAST AFRICA FINANCIAL REVIEW

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February in Numbers:

8

The number of disclosed deals in EA

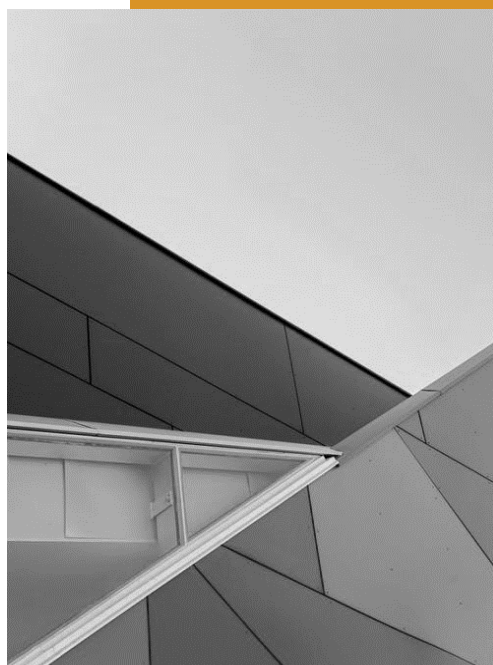
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Disclosed deal value in USD million



IMBC Deal of the Month:

Incofin's multimillion dollar debt investment into EFC Uganda.



The Editorial Team

EDWARD BURBIDGE | KEVIN KURIA







Corporate deal activity in East Africa remained robust in February with 8 transactions having been recorded, up from 6 in January, though with just a c. USD 1 million total disclosed deal value (from one transaction). This closely matches activity in February 2020 when 7 transactions were recorded though with a much larger disclosed deal value of c. USD 146 million. The transaction flavour was more varied in February with 3 M&A and 3 commercial PE & DFI deals making the majority. 2 VC deals were also announced. Of note is that one of the M&A transactions yielded the first PE exit for the year, in the financial services sector, which along with the healthcare sector, took the lion's share of deals with 3 and 2 transactions, respectively. We maintain an optimistic outlook for deal activity in the coming months noting significant interest to deploy capital from institutional investors and innovative approaches being deployed to overcome the challenges of the current times.

IMBC's deal of the month is the multimillion dollar investment by Belgium-based Incofin Investment Management into Entrepreneur Financial Centre (EFC) Uganda, a leading microfinance institution that serves micro-, small and medium-sized enterprises (MSMEs) with a significant presence in the agriculture sector. Incofin made the investment through its agriculture-focused fund, agRIF. I&M Burbidge Capital was the lead advisor to EFC Uganda for this transaction.

In the Listed Equities Market, February continued the positive trend from the previous month with the NSE 20 NSE 25 and NSE All Share Index all recording gains of 1.8%, 5.5% and 6.3% respectively. Average daily turnover increased to USD 4.90 million in February, from USD 4.02 million in January. Top gainers during the month included BAT Kenya which was up by 20.5% and BK Group which gained 18.4%. Sanlam Kenya and Nairobi Business Ventures recorded the highest declines by 26.3% and 23.7% respectively.

PART I : DEAL STATISTICS

Analysis by Sector

Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
 ICT and Telecom	3	91.0
 Financial Services	4	Undisclosed
 Energy	2	127.0
 Healthcare	3	Undisclosed
 Water, Sanitation & Hygiene	1	Undisclosed
 Logistics	1	Undisclosed

Analysis by Type of Transaction

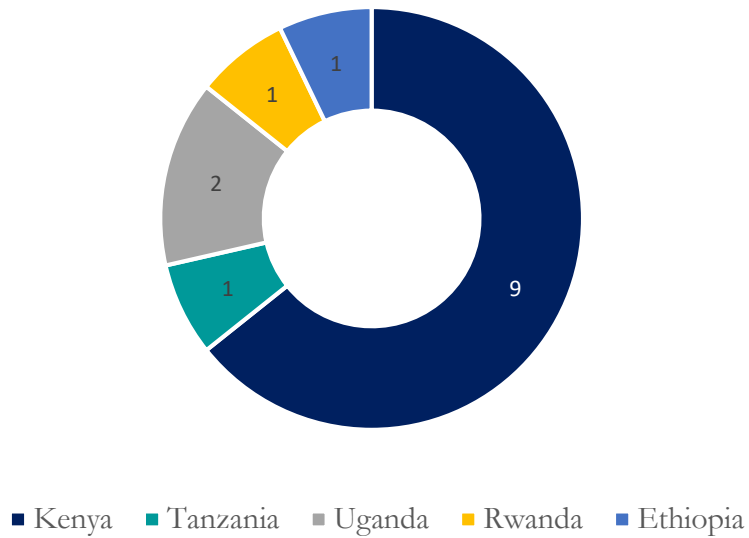
TOTAL NUMBER OF DEALS IN EA - 2020 YTD



PART I : DEAL STATISTICS

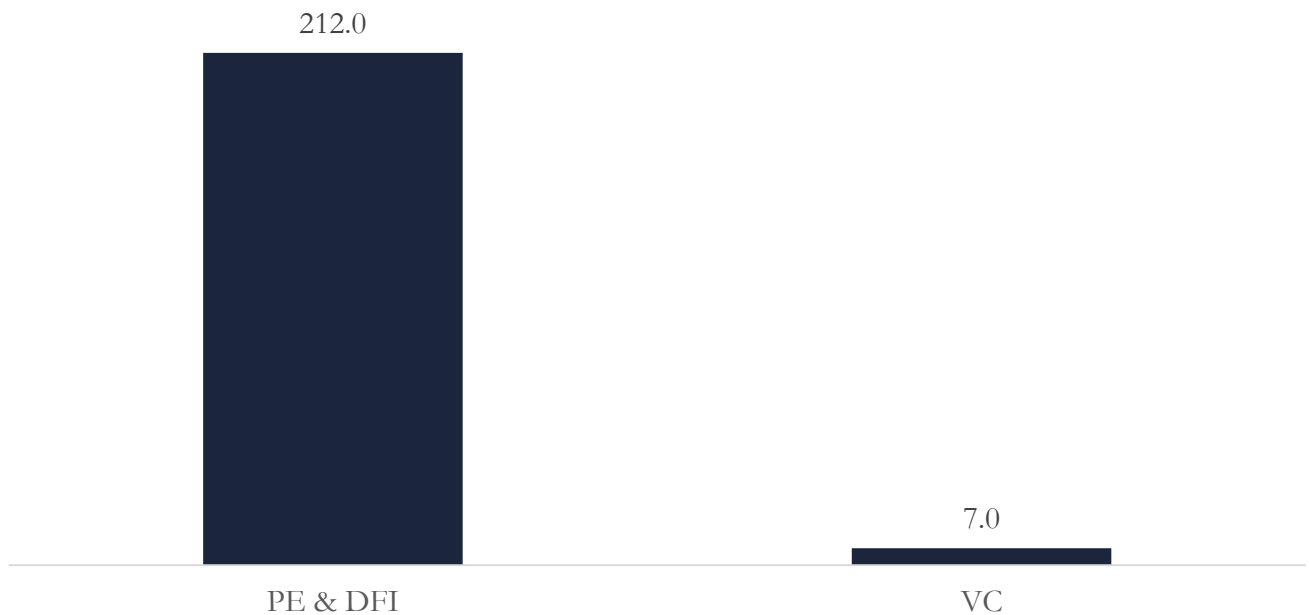
Analysis by Country

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

(As at 1st March 2021)

Coupon Rate on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	6.99%	9.49%	11.67%	12.50%
Tanzania	2.50%	7.82%	9.18%	11.44%
Uganda	7.85%	14.75%	15.50%	16.15%

Source: Respective Central Bank

Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2020 actual Inflation	5.62%	3.56%	4.18%	3.70%
2021 Projected Inflation	5.69%	3.66%	4.77%	1.65%

Source: World Bank

Central Bank Rates

Country/Region	Rate as at February 2021	Rate as at January 2021
Central Bank of Kenya (Kenya)	7.00%	7.00%
Bank of Uganda (Uganda)	7.00%	7.00%
Bank of Tanzania (Tanzania)	7.00%	7.00%
National Bank of Rwanda (Rwanda)	4.50%	4.50%
South African Reserve Bank (RSA)	3.50%	3.50%
Central Bank of Nigeria (Nigeria)	11.50%	11.50%
Central Bank of Egypt (Egypt)	8.25%	8.75%
Bank of England (UK)	0.10%	0.10%
Federal Reserve Bank (USA)	0.25%	0.00%
European Central Bank (EU)	0.00%	0.00%

Source: CB Rates

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
02-Feb-21	Incofin	EFC Uganda (MDI) Limited	Undisclosed	Financial Services	PE - SI	Uganda	Incofin Investment Management signed a multi-million dollar debt investment in EFC Uganda Limited through its agro-focused fund agRIF. EFC Uganda is one of the fastest-growing microfinance institutions in Uganda.
05-Feb-21	GreenHouse Capital	Popote	Undisclosed	Financial Services	PE - VC	Kenya	GreenHouse Capital invested in Kenyan startup Popote which is solving the problem of financial control by leveraging technology. Popote launched its primary product, a payment, expense management and accounting solution called PopotePay, in 2017.
08-Feb-21	XM2 EARTH	Charis UAS	Undisclosed	ICT	M&A	Rwanda	Charis UAS, the Rwanda based drone company, announced that it received a major investment from XM2 EARTH, a leading global provider of drone solutions. The investment will be used to accelerate the expansion of its drone manufacturing and solutions across the African continent.
12-Feb-21	Linkham	Leapfrog	Undisclosed	Financial Services	M&A / PE- Exit	Kenya	LeapFrog Investments fully exited its stake in Kenya-based medical insurance provider Resolution Insurance via a sale to Linkham Group for an undisclosed amount. LeapFrog Investments invested in Resolution Insurance in 2015.
15-Feb-21	Dynamo Ventures	Amitruck	Undisclosed	Logistics	PE	Kenya	Dynamo Ventures invested in Amitruck, a trucking logistics marketplace that connects truckers with shippers using web and mobile applications.
15-Feb-21	Zoscales Partners	Pioneer Diagnostic Center (PDC)	Undisclosed	Healthcare	PE	Ethiopia	Zoscales Partners made a follow-on investment into Pioneer Diagnostic Center, a diagnostic imaging service provider in Ethiopia, acquiring a controlling stake in the company.
18-Feb-21	DFC	Kasha Global Inc	1	Healthcare	PE - VC	Kenya	DFC invested \$1 million in Kasha Group Inc, an e-commerce company that provides women's health and personalcare products to customers in Kenya and Rwanda.
25-Feb-21	EDF	Bboxx	Undisclosed	Energy	M&A	Kenya	EDF, the French electricity company acquired a 23% stake in Bboxx Kenya's operations. BBoxx manufactures, finances and distributes solar systems for households and small and medium-sized enterprises (SMEs) in rural areas. Bboxx Kenya relies heavily on the pay-as-you-go (pay-per-use) business model. The two companies already have a partnership underway in Togo.

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