



Burbidge
Capital

EAST AFRICA FINANCIAL REVIEW

NOVEMBER 2024

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EAST AFRICA FINANCIAL REVIEW

Editor's Note

Deal activity in East Africa's capital markets in November reduced with 9 transactions (10 in October) having been announced, which held a total disclosed value of c. USD 28.7 million (from 4 transactions that had disclosed deal values). PE was the most active investor segment with 4 transactions and was trailed by VC, PE Exit and M&A segments each recording 2 entries with DFI recording a single investment. Activity was broadly spread across a large cross-section of the major sectors in the region with agribusiness, education and manufacturing sectors each recording 2 entries, and the automotive, ICT and logistics sectors each recorded singular entries. Kenya was the most active market with 6 deals, Uganda followed with 2 deals, and Ethiopia capped the list with a singular entry.

The deal activity in November has brought the year-to-date deal count to 114, reflecting a decrease compared to 121 deals closed during the same period in 2023, whilst the total disclosed deal value decrease to 1.32 billion, 75% lower than the same period in 2023. The deals concluded in 2023 were primarily a result of the economic recovery, whereas 2024 has thus far experienced more modest, yet stable growth. While we do not foresee a substantial deviation from this trend in the final quarter of the year, we remain confident that market enthusiasm is gradually returning. This is due the increasing stability of regional currencies, withstanding volatility from the developed economies.

Africa's capital markets were deeply shaped by global events, including new U.S. tariffs and a stronger dollar, which led to a sharp decline in foreign investments across emerging markets. Yet, Africa's resource-rich economies showed remarkable resilience, continuing to attract inflows despite these challenges. Climate-related crises like floods and droughts also played a role, particularly impacting landlocked countries already reliant on commodities. Amid these headwinds, the African Development Bank projected GDP growth of 3.7% for 2024, highlighting the continent's ability to adapt. Even as global uncertainties persist, Africa's strategic position and resources are helping it forge a path toward economic stability.

Domestically, by the time of publication the recent bill by the Kenyan Parliament, pending presidential approval, is expected to be approved which mandates that twelve commercial banks raise Sh11.85 billion in capital or consider mergers. The bill seeks to raise the minimum capital requirement for banks to Sh10 billion over the next five years. This will undoubtedly jumpstart M&A and Capital Raise activity in the banking sector as the 12 banks seek to achieve compliance in advance of the regulator's deadline. As a by-product of this announcement there is an opportunity for some of the players, who are compliant with the Sh10 billion capital requirement, to see this as an opportunity to make strategic acquisitions.

IMBC's Deal of the Month highlights Kenyan ISP Mawingu's expansion into Tanzania through its acquisition of Habari. Mawingu secured USD 4 million from its current investors, InfraCo Africa and FMO, and an additional USD 14 million from the Africa Go Green Fund, managed by Cygnus Capital. This strategic deal represents a fresh and innovative approach where companies tap into the resources and backing of their existing investors to fuel cross-border expansion, particularly through the acquisition of regional companies. This new model demonstrates how businesses can drive positive change while simultaneously scaling their operations, making it a great example of how corporate strategies can support both commercial success and meaningful social impact.

The listed equities recorded losses in performance in November, with the NSE 20, NSE 25 and NSE All Share Index posting 2.3%, 4.0% and 5.2% in negative returns, respectively. Average daily turnover increased to USD2.39 million, from USD1.82 million in October. Top gainers during the month included TPS Serena and B.O.C Kenya which were up by 11.8% and 11.3%, respectively. Sanlam Kenya and WPP Scangroup recorded the largest losses ending the month down by 23.6% and 19.5%, respectively.

KEY HIGHLIGHTS

- Total number of disclosed deals in the YTD increases to 114.
- Total disclosed deal values in the YTD now c. USD 1.32 billion.
- VC investment activity accounts for 36% of YTD deal activity with M&A, PE and DFI activity comprising 21%, 19% and 17% of total corporate deals.

NOVEMBER

In Numbers



The number of disclosed deals in EA



Disclosed deal value in USD million



IMBC Deal of the Month:

Mawingu's USD 15 million strategic expansion of Tanzania through acquisition of Habari













The Editorial Team

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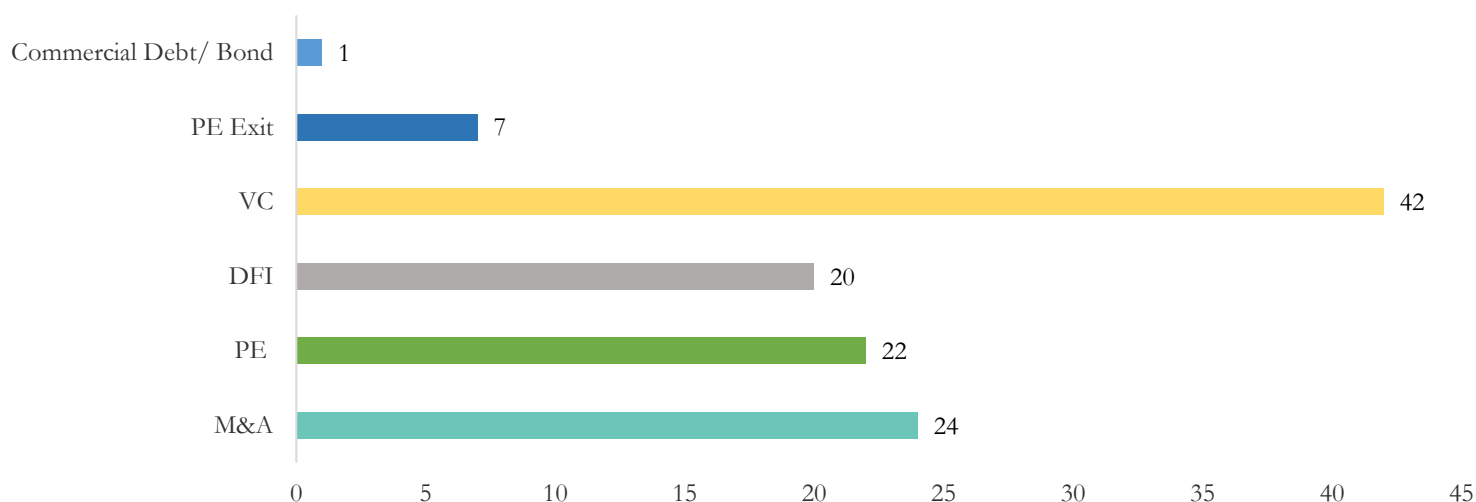
PART I : DEAL STATISTICS

Analysis by Sector

Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
 Agribusiness	23	271.4
 Financial Services	18	134.95
 Manufacturing	15	251.3
 Energy	11	156
 ICT and Telecom	9	86.7
 Automotive	8	74.5
 Healthcare	7	27.9
 Professional & Other Services	6	5
 Real Estate	4	259.3
 Logistics	4	10
 Education	4	5
 Mining	2	Undisclosed

Analysis by Type of Transaction

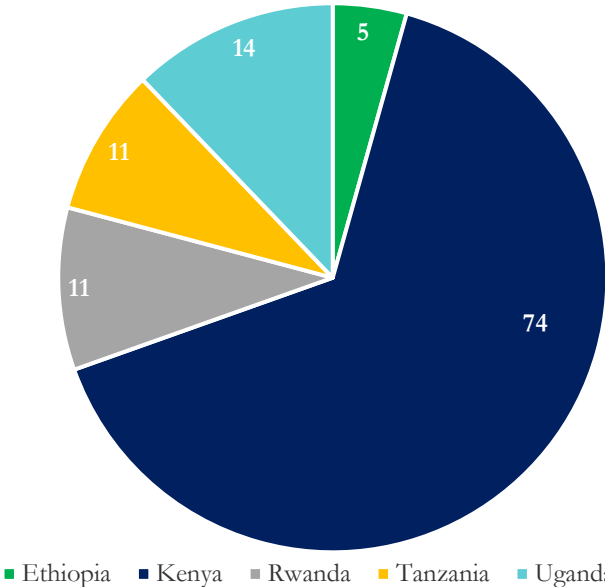
TOTAL NUMBER OF DEALS IN EA - YTD 2024



PART I : DEAL STATISTICS

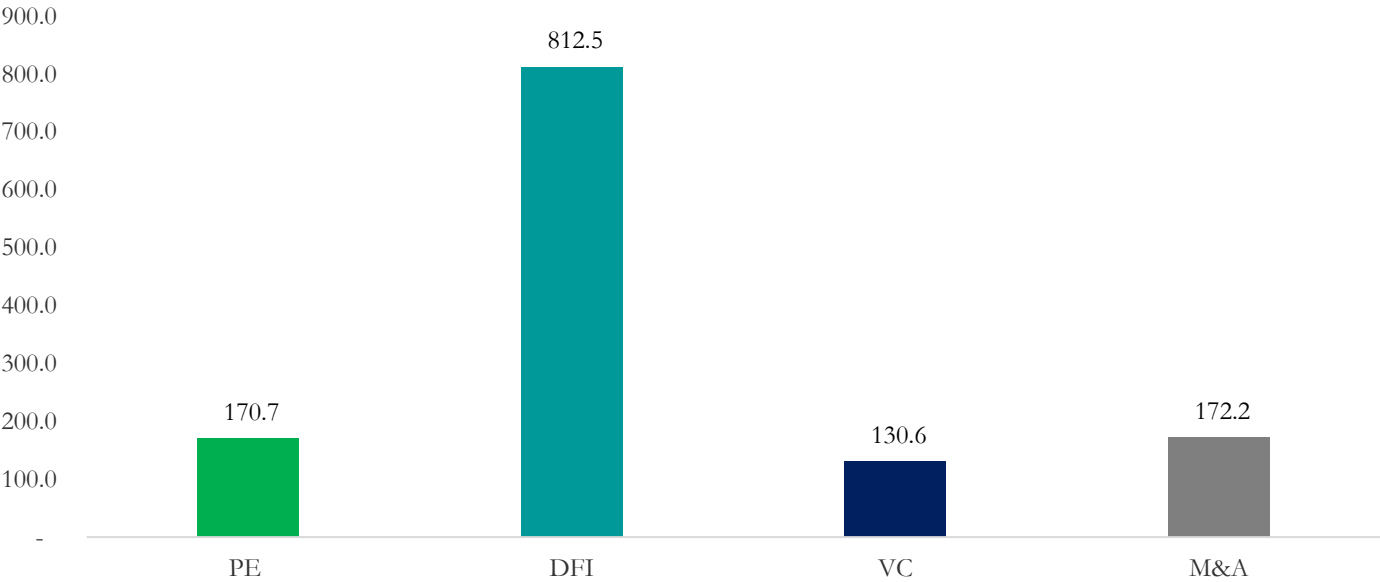
Analysis by Country

TOTAL NUMBER OF DEALS IN EA - YTD 2024



*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 may therefore be a mismatch between the “Sector Analysis” and “Analysis by Country” deal numbers.

DEAL SIZE YTD 2024 IN USDM



PART II : KEY MARKET INDICATORS

(As at 30th November 2024)

Coupon Rate on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	11.25%	13.96%	14.67%	16.82%
Tanzania	5.93%	7.60%	9.18%	11.44%
Uganda	11.49%	15.68%	15.88%	16.41%

Source: Refinitive, respective Central Bank

LTM Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2023 Actual Inflation	6.80%	3.20%	2.60%	9.20%
2024 Projected Inflation	2.80%	3.00%	2.90%	3.80%

Source: World Bank

Central Bank Rates

Country/Region	Rate as at November 2024	Rate as at October 2024
Central Bank of Kenya (Kenya)	12.00%	12.00%
Bank of Uganda (Uganda)	9.75%	9.75%
Bank of Tanzania (Tanzania)	6.00%	6.00%
National Bank of Rwanda (Rwanda)	6.50%	6.50%
South African Reserve Bank (RSA)	7.75%	8.00%
Central Bank of Nigeria (Nigeria)	27.50%	26.25%
Central Bank of Egypt (Egypt)	27.75%	27.75%
Bank of England (UK)	4.75%	5.00%
Federal Reserve Bank (USA)	4.63%	4.83%
European Central Bank (EU)	3.25%	3.25%

Source: CB Rates

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
07-Nov-24	Sahel Capital	Sukuma Commodities	1	Agribusiness	PE - Debt	Uganda	Sahel Capital, a prominent investor in the food and agriculture sector in sub-Saharan Africa, approved a USD 1m term and working capital loan from its Social Enterprise Fund for Agriculture in Africa (SEFAA) facility to Sukuma Commodities.
08-Nov-24	Ramco Incorporation	Ramco Plexus	Undisclosed	Manufacturing	M&A	Kenya	The Competition Authority of Kenya (CAK) unconditionally approved the proposed acquisition of sole control of Ramco Plexus, a packaging and printing company, by Ramco Inc. The proposed transaction involved the exit of private equity firm Amethis from Ramco Plexus. Amethis acquired a stake in Ramco Plexus in 2014.
10-Nov-24	AgDevCo	Agventure Limited	9.5	Agribusiness	PE - Debt	Kenya	Kenyan agri-business Agventure Limited raised USD 9.5 M in debt financing from AgDevCo to expand its regenerative agricultural practices for non-irrigated, cereal-based farming systems. Founded in 2010, Agventure is a farmer-owned business focused on sustainable agriculture.
12-Nov-24	Kua Ventures	Olerai Schools	Undisclosed	Education	VC	Kenya	Kua Ventures, an impact investor in Kenya, made an investment in Olerai Schools to support its expansion and growth in its mission to be a centre of excellence for young learners in Kenya. The learning institution becomes the 26th business to join Kua's portfolio.
18-Nov-24	Incofin	Spouts International	3.2	Manufacturing	PE	Uganda	Incofin committed EUR 3 million to Spouts International, an East African manufacturer and distributor of ceramic water filters under the brand Purifaaya. This investment, from Incofin's Water Access Acceleration Fund (W2AF), aims to help Spouts expand its clean water initiatives across East Africa and its carbon credit programme.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
25-Nov-24	ADvTECH Group	Flipper International School	Undisclosed	Education	M&A	Ethiopia	Private equity firm Tana Africa Capital sold its stake in Flipper International School in Addis Ababa, Ethiopia, to South African private education company ADvTECH Group. The school was founded in 1998 by Menna Selamu Bekele and Serkaddis Seifu Yeteshawork. The Saham Group and Tana Africa Capital made funding available to complete the Summit facility and bring about enhancements in technology, academics, governance and human resources.
	Flipper International School	Tana Africa Capital			PE Exit		
25-Nov-24	Acumen	Keep IT Cool	Undisclosed	Logistics	PE	Kenya	Acumen invested in Keep IT Cool, a cold chain-powered smart distribution platform in Kenya. Keep IT Cool is constructing a solar-powered cold chain facility that will increase its capacity sevenfold. This expansion will allow the company to diversify into fruits and vegetables and serve over 100,000 fisherfolk and farmers effectively. The funding from Acumen is critical to achieving its vision of scaling operations across the continent. The investment is part of Acumen's Forcibly Displaced People (FDP) Lens Investing program in East Africa, which aims to bolster sustainable livelihoods in displacement-affected communities.
27-Nov-24	Cygnum Capital, InfraCo Africa and FMO	Mawingu	15	ICT	PE - DFI	Tanzania	Kenya-based affordable internet service provider (ISP) Mawingu raised USD 15 million to acquire Tanzanian ISP, Habari, and expand its network in East Africa. Africa Go Green Fund (managed by Cygnum Capital) invested USD11 million, while Mawingu's existing investors, InfraCo Africa and FMO, invested USD4 million. Mawingu's mission is to provide internet connectivity to those in under-served areas.
	Mawingu	Habari			Strategic M&A		

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