



The following report details private equity activity in South Africa in Q2 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

Bureau van Dijk recently worked with SAVCA members to ensure that their deals were fully represented upon our database. This project has resulted in additional deals being added which had not previously been available in broader publically available sources. Information on any further missing transactions can be submitted for inclusion on the Zephyr database by emailing details to zephyreditorial@bvinfo.com

South African PE value up quarter-on-quarter

Private equity and venture capital (PE and VC) investment activity targeting South African companies increased in Q2 2015 compared to the first quarter of the year.

Quarter-on-quarter investment value climbed significantly from USD 64 million to USD 189 million against a decline in volume from 9 to 4 over the same timeframe. It was a similar story year-on-year as value improved while volume dropped. In Q2 2014 there were 10 deals worth USD 113 million.

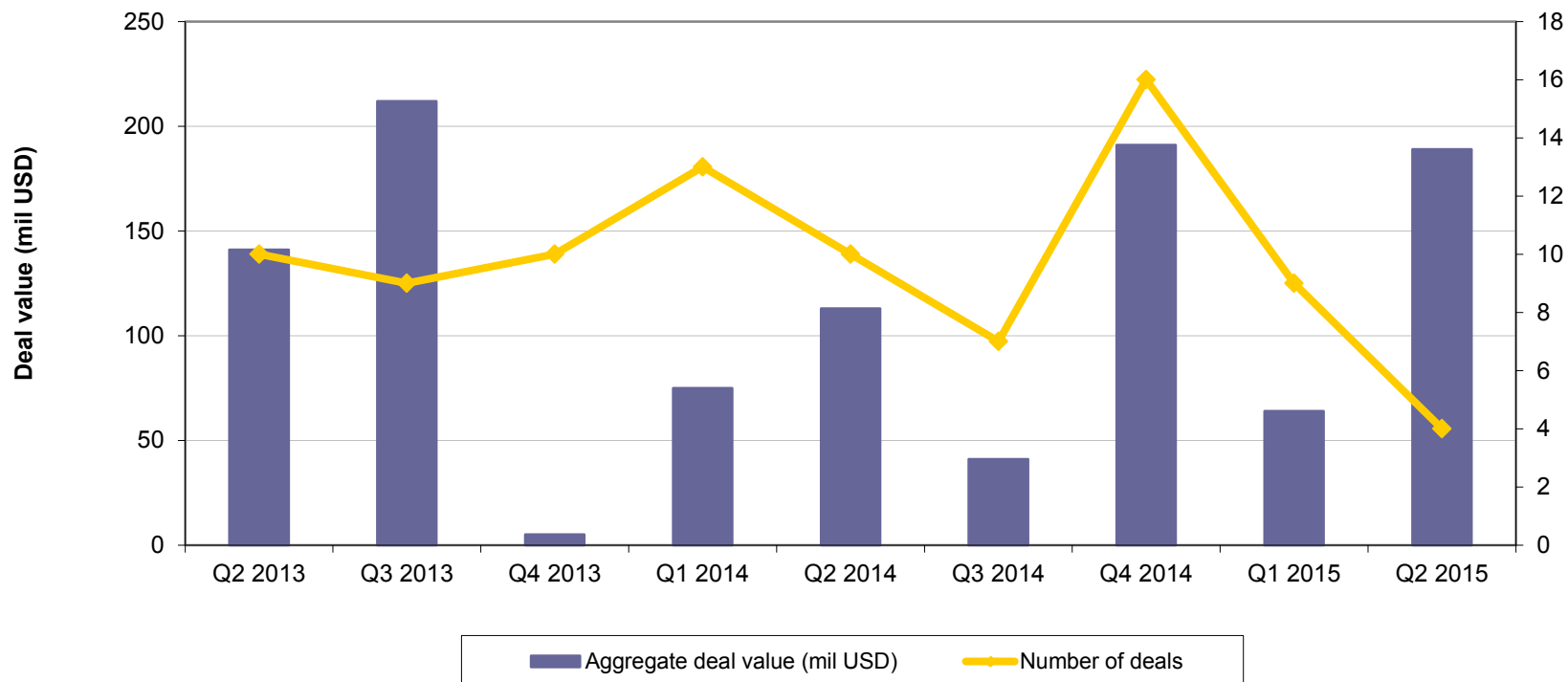
The improvement in value is surprising as of the four deals signed off in Q2 2015 only one had a disclosed value. This was a USD 189 million purchase of a 51 per cent stake in Johannesburg-based cleaning services firm Servest Group by Kagiso Tiso Holdings.

This deal accounted for 100 per cent of all disclosed private equity investment in South Africa in Q2. Three funding rounds without known considerations were also announced, targeting Shift South, Bulwark Investment Holdings and Beefmaster Holdings.

Quarterly private equity deals by volume and value - South African targets

Announced date	No of deals	Total deal value (mil USD)
Q2 2015	4	189
Q1 2015	9	64
Q4 2014	16	191
Q3 2014	7	41
Q2 2014	10	113
Q1 2014	13	75
Q4 2013	10	5
Q3 2013	9	212
Q2 2013	10	141
Q1 2013	5	22
Q4 2012	13	426
Q3 2012	5	0
Q2 2012	6	396
Q1 2012	11	151
Q4 2011	9	492
Q3 2011	8	1,934
Q2 2011	4	27

Quarterly private equity deals by volume and value - South African targets



Annual private equity deals by volume and value - South African targets

Announced date	No of deals	Total deal value (mil USD)
2015	13	253
2014	46	420
2013	34	380
2012	35	973
2011	28	2,495
2010	25	150
2009	48	698
2008	55	1,195
2007	56	6,937
2006	43	3,087
2005	41	2,173

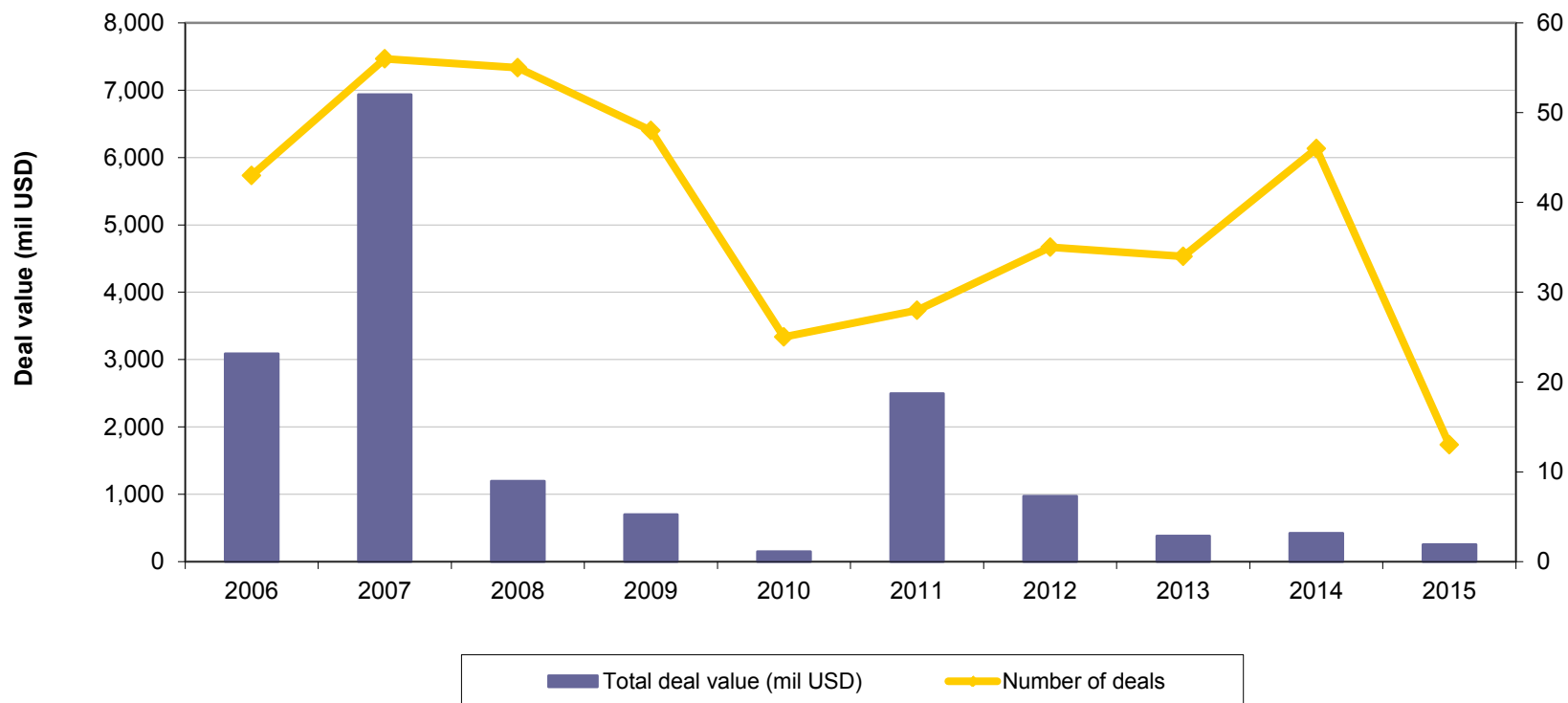
PE activity suggesting strong 2015

PE and VC activity targeting South African companies in 2015 to date is comparing well with both 2013 and 2014, when deals worth USD 380 million and USD 420 million were announced, respectively.

So far this year dealmaking of USD 253 million has been recorded, meaning results would surpass both of these years if things continue on this trajectory.

However, so far it looks unlikely that 2015 will perform on a par with 2011 or even 2012, when there was investment of USD 2,495 million and USD 973 million, respectively. Nevertheless, a single large injection can change the entire course of the results and it is possible that a few big deals could push value back to these levels.

Annual private equity deals by volume and value - South African targets



Quarterly private equity deals by volume and value - African targets (excluding South Africa)

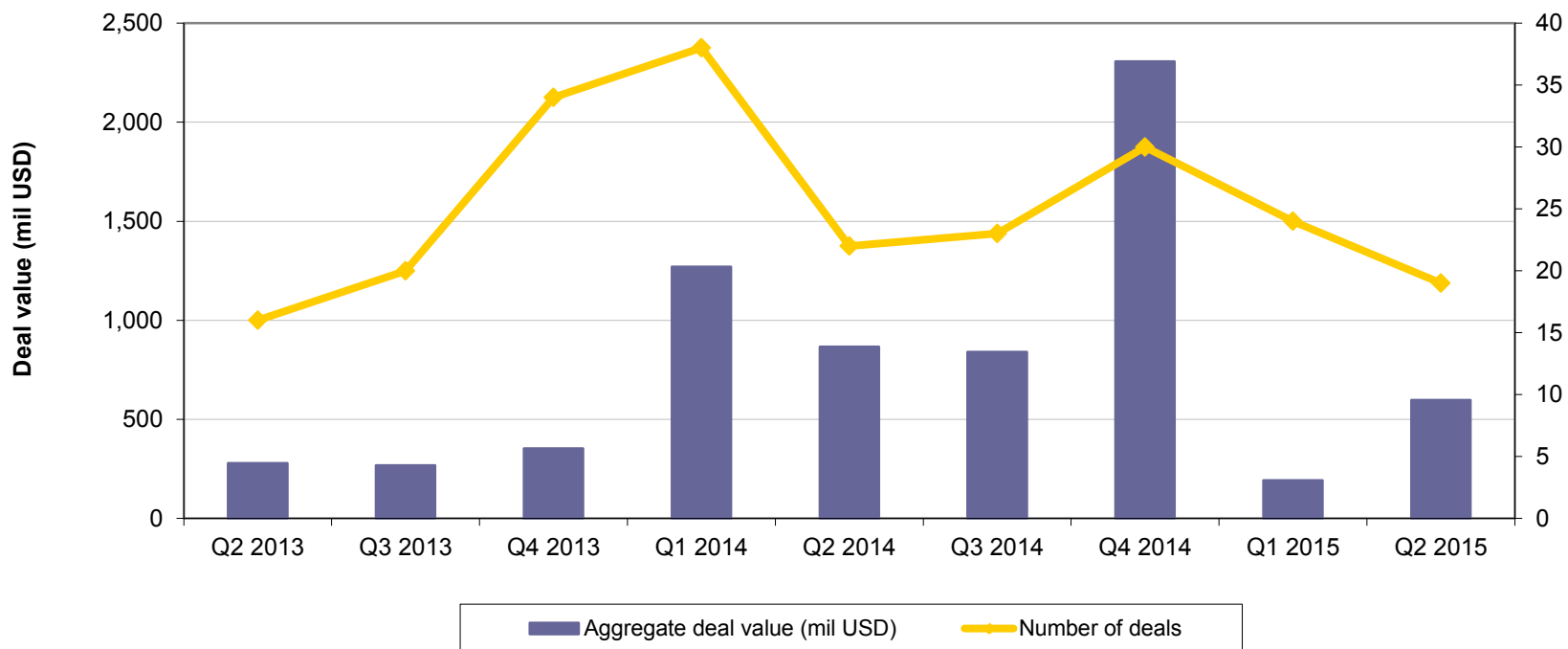
Announced date	No of deals	Total deal value (mil USD)
Q2 2015	19	598
Q1 2015	24	193
Q4 2014	30	2,307
Q3 2014	23	841
Q2 2014	22	866
Q1 2014	38	1,270
Q4 2013	34	353
Q3 2013	20	268
Q2 2013	16	279
Q1 2013	17	220
Q4 2012	11	229
Q3 2012	9	102
Q2 2012	21	604
Q1 2012	10	411
Q4 2011	15	225
Q3 2011	6	19
Q2 2011	11	139
Q1 2011	13	187
Q4 2010	15	213
Q3 2010	9	89
Q2 2010	9	46

PE and VC investment in rest of Africa also improves

The value of PE and VC investment targeting companies based elsewhere in Africa improved in Q2 2015 after nosediving in Q1. The USD 598 million recorded represents a considerable increase on the USD 193 million notched up during the first quarter but is still some way off the USD 2,307 million invested in the final quarter of 2014.

By contrast, volume actually declined over the quarter, marking the second consecutive drop in deal numbers. In all 19 transactions were signed off over the course of the three months, compared to 24 in Q1 2015 and 30 in Q4 2014.

Quarterly private equity deals by volume and value - African targets (excluding South Africa)



Annual private equity deals by volume and value - African targets (excluding South Africa)

Announced date	No of deals	Total deal value (mil USD)
2015	43	791
2014	113	5,284
2013	87	1,119
2012	51	1,346
2011	45	569
2010	43	725
2009	48	288
2008	55	901
2007	37	2,417
2006	31	1,391
2005	26	994

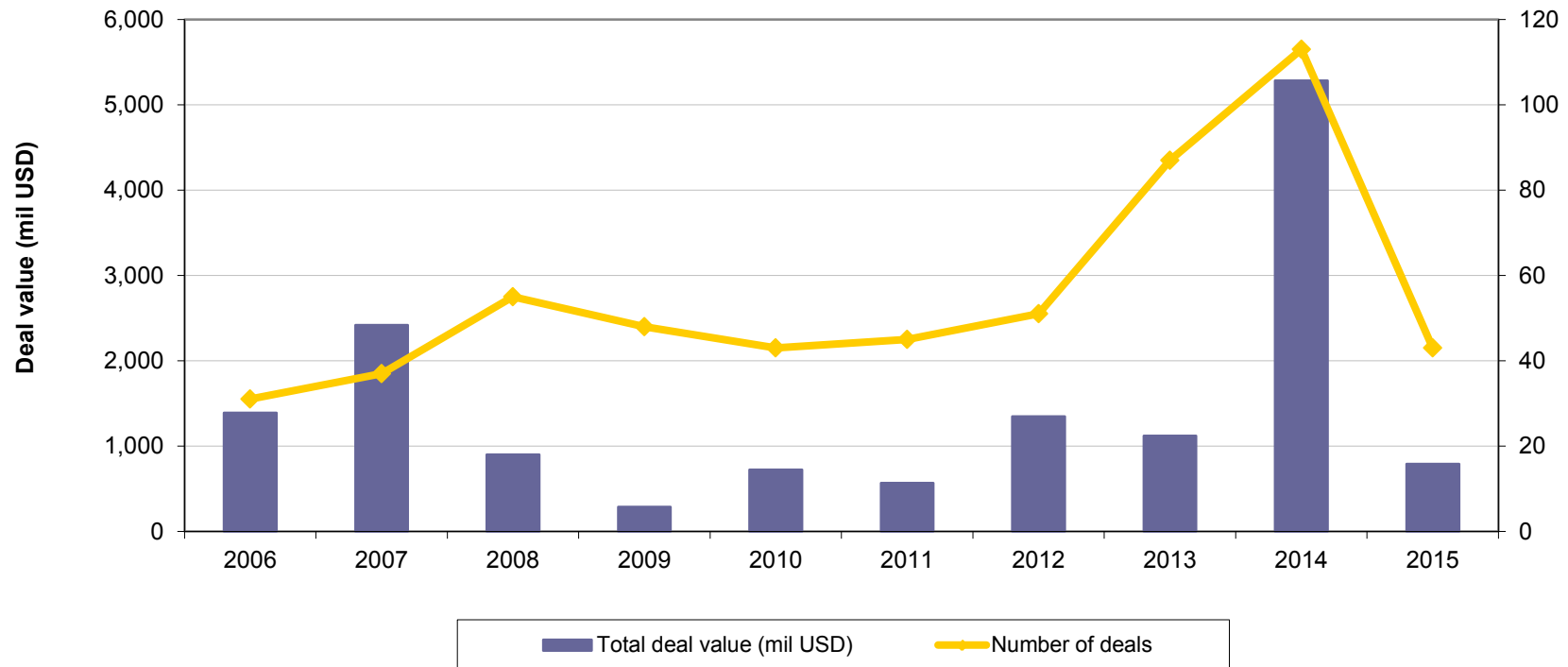
African PE investment off to slow start in 2015

So far in 2015 there have been 43 announced PE and VC deals worth USD 791 million targeting African companies. At the half way point of the year we can see that there is still some way to go if results are to come close to 2014.

Last year there were 113 deals worth USD 5,284 million targeting African companies, although this was a particularly high-performing year. It surpassed 2013 significantly as there were 87 deals worth USD 1,119 million that year.

However, as with South African deals, one or two particularly high value transactions could push results closer to 2014 levels.

Annual private equity deals by volume and value - African targets (excluding South Africa)



Top Q2 2015 private equity deals by value with South Africa targets

	Deal value (mil USD)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status
1.	189	IBO 51%	Servest Group (Pty) Ltd	ZA	Kagiso Tiso Holdings (Pty) Ltd	Announced
2.	n.a.	Minority stake	Shift South (Pty) Ltd	ZA	Identity Capital Partners (Pty) Ltd; Africa Angels Network; Newtown Partners	Completed
3.	n.a.	Minority stake 35%	Bulwark Investment Holdings (Pty) Ltd	ZA	BP Marsh & Partners plc	Completed
4.	n.a.	Minority stake	Beefmaster Holdings (Pty) Ltd	ZA	One Thousand & One Voices LLC	Completed

Private Equity target sectors by volume (quarterly)

Target sector	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Other services	7	2	3	3	4	4	4	3	3
Food, beverages, tobacco	0	0	0	2	0	0	2	1	1
Post and telecommunications	0	0	0	0	0	0	1	0	0
Transport	0	0	0	0	0	1	0	0	0
Wholesale & retail trade	2	3	2	2	1	0	6	1	0
Hotels & restaurants	0	0	0	0	0	0	0	0	0
Public administration and defence	0	0	0	0	0	0	0	0	0
Education, health	0	0	0	0	1	0	0	0	0
Banks	0	1	0	1	1	0	0	0	0
Insurance companies	0	0	0	0	0	0	0	0	0
Wood, cork, paper	0	0	1	0	0	0	1	0	0
Publishing, printing	0	1	1	0	0	0	0	2	0
Primary sector	0	0	0	2	1	1	0	1	0
Textiles, wearing apparel, leather	0	0	0	0	0	1	0	0	0
Chemicals, rubber, plastics	1	1	1	1	0	0	0	0	0
Gas, water, electricity	0	0	1	0	0	0	0	0	0
Construction	0	0	0	0	0	0	1	0	0
Metals & metal products	0	1	0	1	0	0	1	0	0
Machinery, equipment, furniture, recycling	1	0	1	1	1	0	0	1	0

Private Equity target sectors by volume (annually)

Target sector	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other services	8	15	18	21	5	10	11	13	15	6
Publishing, printing	1	1	1	2	0	0	0	2	0	2
Food, beverages, tobacco	0	2	1	0	2	3	1	0	4	2
Wholesale & retail trade	3	11	6	8	3	3	5	8	9	1
Machinery, equipment, furniture, recycling	3	9	1	1	0	1	1	3	2	1
Primary sector	0	2	3	3	1	5	1	0	4	1
Post and telecommunications	0	0	0	0	0	0	0	0	1	0
Education, health	0	0	2	1	0	1	0	1	1	0
Transport	1	2	2	3	1	0	0	0	1	0
Insurance companies	0	0	0	0	0	0	0	0	0	0
Public administration and defence	0	0	0	0	0	0	1	0	0	0
Banks	9	3	3	1	1	0	4	2	2	0
Chemicals, rubber, plastics	7	5	6	3	4	0	2	3	1	0
Wood, cork, paper	2	1	0	0	1	0	1	1	1	0
Textiles, wearing apparel, leather	1	0	2	0	0	1	0	0	1	0
Metals & metal products	6	2	3	4	3	2	6	1	2	0
Hotels & restaurants	1	0	4	0	1	1	0	0	0	0
Construction	1	1	0	1	2	0	1	0	1	0
Gas, water, electricity	0	1	2	0	1	1	1	1	0	0

Private Equity target sectors by value (quarterly)

Target sector	Q2 2013 (mil USD)	Q3 2013 (mil USD)	Q4 2013 (mil USD)	Q1 2014 (mil USD)	Q2 2014 (mil USD)	Q3 2014 (mil USD)	Q4 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Other services	0	0	5	0	101	28	0	2	189
Transport	0	0	0	0	0	0	0	0	0
Post and telecommunications	0	0	0	0	0	0	0	0	0
Hotels & restaurants	0	0	0	0	0	0	0	0	0
Wholesale & retail trade	141	43	0	0	0	0	65	0	0
Public administration and defence	0	0	0	0	0	0	0	0	0
Education, health	0	0	0	0	0	0	0	0	0
Banks	0	93	0	18	0	0	0	0	0
Insurance companies	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0
Textiles, wearing apparel, leather	0	0	0	0	0	0	0	0	0
Wood, cork, paper	0	0	0	0	0	0	126	0	0
Primary sector	0	0	0	14	12	13	0	56	0
Food, beverages, tobacco	0	0	0	18	0	0	0	0	0
Publishing, printing	0	76	0	0	0	0	0	0	0
Machinery, equipment, furniture, recycling	0	0	0	0	0	0	0	6	0
Gas, water, electricity	0	0	0	0	0	0	0	0	0
Chemicals, rubber, plastics	134	0	0	3	0	0	0	0	0
Metals & metal products	0	0	0	23	0	0	0	0	0

Private Equity target sectors by value (annually)

Target sector	2006 (mil USD)	2007 (mil USD)	2008 (mil USD)	2009 (mil USD)	2010 (mil USD)	2011 (mil USD)	2012 (mil USD)	2013 (mil USD)	2014 (mil USD)	2015 (mil USD)
Other services	3	1,094	43	209	36	2,118	4	5	129	191
Primary sector	0	62	32	0	3	299	38	0	38	56
Machinery, equipment, furniture, recycling	5	137	0	0	0	40	0	0	0	6
Post and telecommunications	0	0	0	0	0	0	0	0	0	0
Hotels & restaurants	609	0	199	0	0	30	0	0	0	0
Transport	979	0	0	0	0	0	0	0	0	0
Public administration and defence	0	0	0	0	0	0	0	0	0	0
Education, health	0	0	2	6	0	0	0	22	0	0
Banks	32	1,164	15	0	0	0	38	93	18	0
Insurance companies	0	0	0	0	0	0	0	0	0	0
Wholesale & retail trade	92	3,985	7	2	58	0	97	184	65	0
Wood, cork, paper	8	0	0	0	0	0	0	0	126	0
Publishing, printing	0	5	0	2	0	0	0	76	0	0
Food, beverages, tobacco	0	198	0	0	0	8	0	0	18	0
Textiles, wearing apparel, leather	0	0	15	0	0	0	0	0	0	0
Gas, water, electricity	0	0	847	0	21	0	0	0	0	0
Construction	0	12	0	0	0	0	12	0	0	0
Chemicals, rubber, plastics	1,112	29	35	313	7	0	0	134	3	0
Metals & metal products	248	0	0	164	26	0	784	0	23	0

Countries targeting South African PE deals (quarterly volume)

Acquiror country	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
South Africa	5	3	9	8	8	6	2	9	5	2
UK	0	0	0	0	2	1	1	2	1	1
US	0	0	0	1	0	2	1	2	2	1

Countries targeting South African PE deals (annual volume)

Acquiror country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
South Africa	36	47	43	39	20	23	32	25	25	7
US	1	0	1	1	1	2	1	1	5	3
UK	4	5	2	2	2	2	0	0	6	2
China	0	0	0	0	0	0	0	0	0	1

Countries targeting South African PE deals (quarterly value)

Acquiror country	Q1 2013 (mil USD)	Q2 2013 (mil USD)	Q3 2013 (mil USD)	Q4 2013 (mil USD)	Q1 2014 (mil USD)	Q2 2014 (mil USD)	Q3 2014 (mil USD)	Q4 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
South Africa	22	141	212	5	21	13	0	126	6	189

Countries targeting South African PE deals (annual value)

Acquiror country	2006 (mil USD)	2007 (mil USD)	2008 (mil USD)	2009 (mil USD)	2010 (mil USD)	2011 (mil USD)	2012 (mil USD)	2013 (mil USD)	2014 (mil USD)	2015 (mil USD)
South Africa	3,031	6,760	993	262	134	863	948	379	160	195
China	0	0	0	0	0	0	0	0	0	56
UK	987	124	700	166	28	1,600	0	0	96	2

Notes to editors

Activity is based on the activity of the target company.

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The Q2 2015 date range is from 01/04/2015 to 30/06/2015 inclusive