



**BUREAU VAN DIJK**

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# **South Africa M&A Review Q1 2019**

## The following report details mergers and acquisitions activity in South Africa in Q1 2019 using data from the Zephyr database.

It focuses on global deals activity by target company

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

## South Africa M&A value declines from 12-month high in Q4

Both the volume and value of mergers and acquisitions (M&A) targeting companies based in South Africa declined in Q1 2019 following a 12-month high on both fronts in Q4 2018 (205 deals worth USD 14,876 million). In total, there were 152 deals worth an aggregate USD 3,947 million in the three months under review, representing a 4 per cent decline by volume on a 42 per cent decrease by value year-on-year from 159 deals worth USD 6,825 million in Q1 2018.

The largest deal in Q1 2019 involves Coronation Asset Management taking a 5 per cent stake in food retailer Shoprite Holdings for USD 371 million. Steinhoff International Holdings is selling a 26 per cent stake in supply chain services holding company Kap Industrial to institutional investors for USD 330 million in the second-largest M&A deal. The third-biggest deal, which is also the largest private equity and venture capital (PE and VC) investment in Q1 2019, involves Investec Asset Management increasing its stake by 12 per cent in Impala Platinum Holdings for USD 300 million.

## Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q1 2019	152	3,947
Q4 2018	205	14,876
Q3 2018	131	4,839
Q2 2018	157	5,542
Q1 2018	159	6,825
Q4 2017	199	7,879
Q3 2017	187	6,767
Q2 2017	222	12,235
Q1 2017	223	9,503



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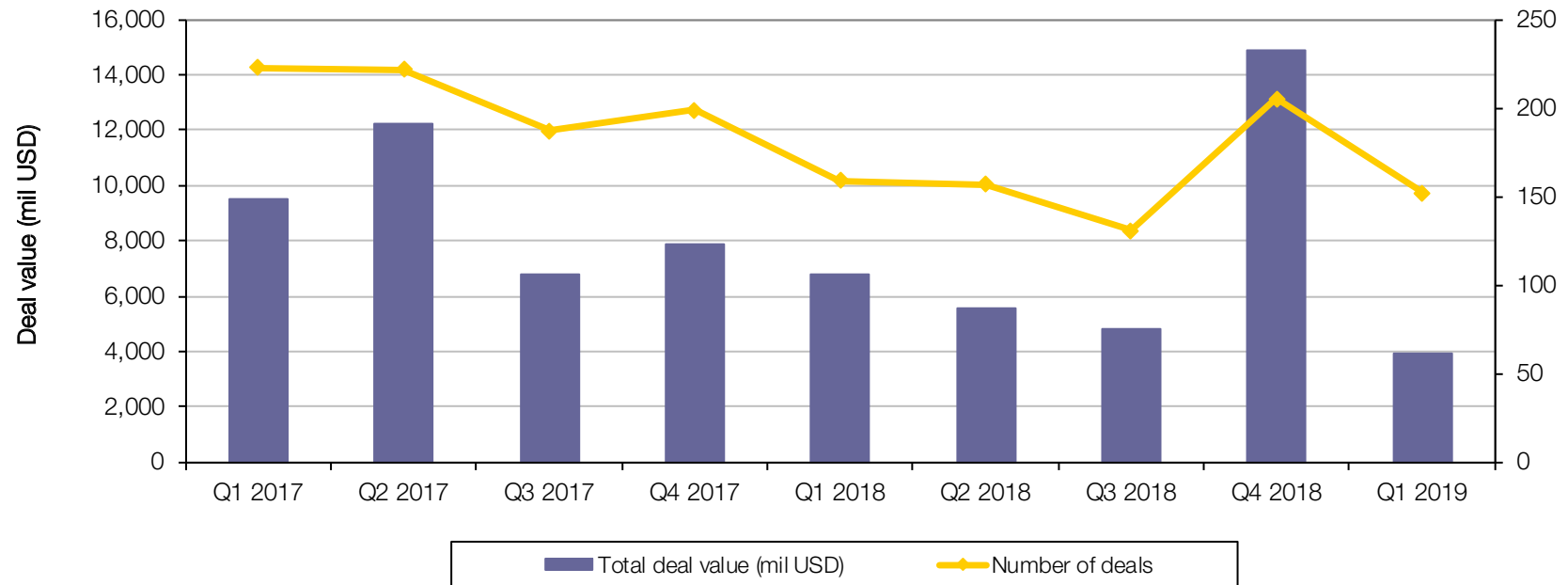


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## Deals by volume and value



## Top 20 deals by value with South African targets

	Deal value (mil USD)	Deal type	Target	Acquiror	Acquiror country	Announced date
1.	371	Minority stake 5%	Shoprite Holdings Ltd	Coronation Asset Management (Pty) Ltd	ZA	05/03/2019
2.	330	Minority stake 26%	Kap Industrial Holdings Ltd	Institutional Investors		26/03/2019
3.	300	Minority stake increased from 3% to 15%	Impala Platinum Holdings Ltd	Investec Asset Management Ltd	GB	14/02/2019
4.	249	Minority stake 5%	AngloGold Ashanti Ltd			20/03/2019
5.	247	Minority stake increased from 8% to 15%	Woolworths Holdings Ltd	Allan Gray (Pty) Ltd	ZA	13/02/2019
6.	247	Minority stake increased from 11% to 20%	Life Healthcare Group Holdings (Pty) Ltd	Allan Gray (Pty) Ltd	ZA	20/03/2019
7.	197	Acquisition 68%	Cartrack Holdings Ltd	Karoo (Pvt) Ltd		28/02/2019
8.	192	Minority stake	Edcon Ltd	Investors; Public Investment Corporation Ltd	ZA	01/03/2019
9.	169	Minority stake increased from 1% to 5%	The Bidvest Group Ltd	JP Morgan	US	08/03/2019
10.	143	Minority stake increased from 1% to 5%	Mr Price Group Ltd	Investec Ltd	ZA	15/02/2019
11.	133	Minority stake increased from 2% to 5%	The Bidvest Group Ltd	JP Morgan	US	22/01/2019
12.	124	Minority stake increased from 10% to 11%	Bid Corporation Ltd	JP Morgan	US	28/02/2019
13.	120	Minority stake increased from 1% to 5%	Sappi Ltd	Investec Ltd	ZA	05/02/2019
14.	99	Minority stake increased from 2% to 5%	Aspen Pharmacare Holdings Ltd	Foord Asset Management (Pty) Ltd	ZA	19/03/2019
15.	95	Minority stake increased from 4% to 5%	Shoprite Holdings Ltd	OppenheimerFunds Inc.	US	12/03/2019
16.	88	Minority stake increased from 2% to 5%	The Spar Group Ltd	BlackRock Inc.	US	29/01/2019
17.	68	Acquisition 65%	Peregrine Securities (Pty) Ltd	Nkholi Consolidated Investments (Pty) Ltd	ZA	31/01/2019
18.	53	Capital Increase 7%	Equites Property Fund Ltd			07/02/2019
19.	51	Minority stake 5%	Reunert Ltd	Morgan Stanley; Morgan Stanley Investment Management Inc.	US; US	21/01/2019
20.	44	Minority stake increased from 17% to 23%	Oceana Group Ltd	Brimstone Investment Corporation Ltd	ZA	22/03/2019

### PE and VC value boosted by two deals

In contrast to M&A results, both the volume and value of PE and VC investment in South Africa increased to the highest-recorded value in the last eight years as 15 deals worth an aggregate USD 570 million were announced in Q1 2019 (Q4 2011: USD 842 million).

Value was boosted by two deals worth more than USD 100 million each, while volume improved by a fifth quarter-on-quarter and more than doubled year-on-year from 12 deals in Q4 2018 and 7 deals in Q1 2018. By value, the three months under review increased 34 per cent from USD 424 million in Q4 2018 and significantly improved on the USD 0 million recorded in Q1 2018.

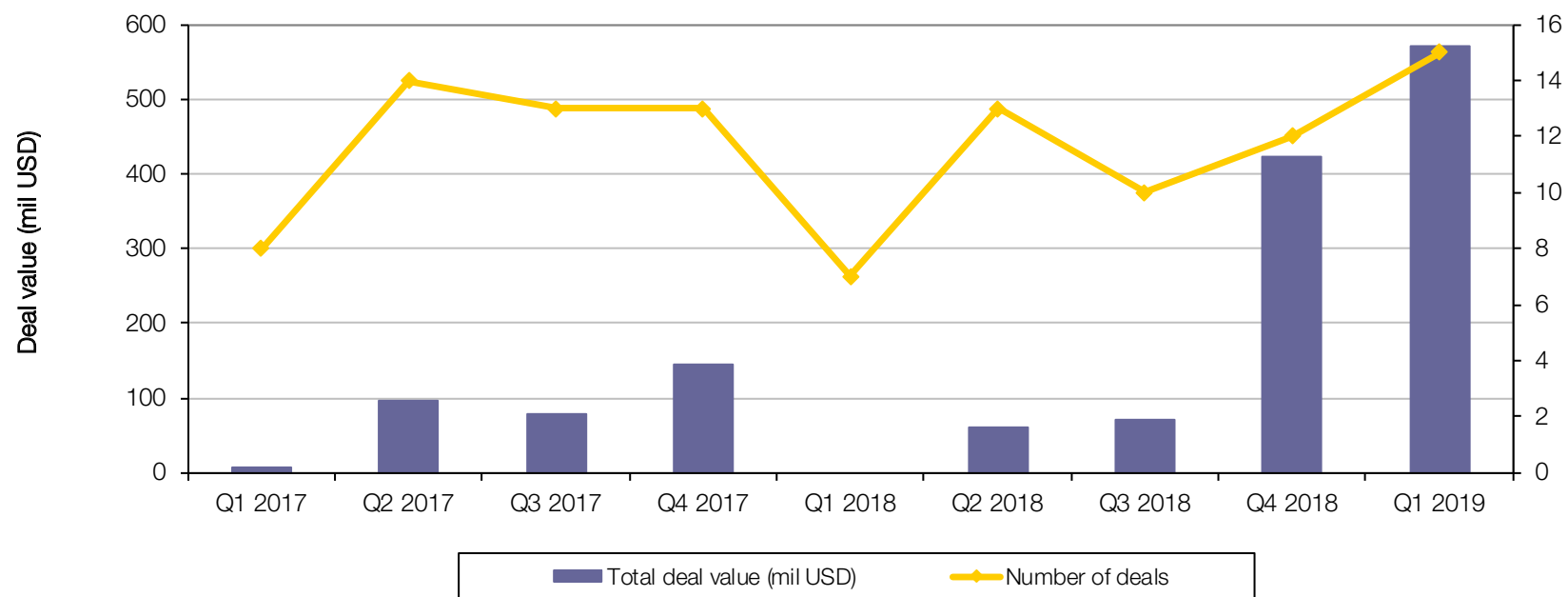
The largest PE and VC deal signed off in Q1 2019 was also the third-largest M&A deal during the quarter as Investec Asset Management increased its stake in Impala Platinum Holdings for USD 300 million. This was followed by Public Investment Corporation, among other investors, acquiring an unknown minority stake in clothing and sporting goods retailer Edcon for USD 192 million. Together, these two deals accounted for 86 per cent of total PE and VC value in Q1 2019.

In total, seven of the 15 PE and VC deals announced in South Africa in the opening three months of 2019 were domestic; however, investors such as UK-based African Development Partners, Netherlands-headquartered Goodwell Investments, Mexico's Lill Ventures and US-located firms Stadia Ventures and Berkshire Partners, among others, also took part in deals in Q1 2019.

### Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q1 2019	15	570
Q4 2018	12	424
Q3 2018	10	70
Q2 2018	13	62
Q1 2018	7	0
Q4 2017	13	146
Q3 2017	13	78
Q2 2017	14	97
Q1 2017	8	7

## Private equity deals by volume and value



### Target sectors by volume

Target sector	Q1 2018	Q4 2018	Q1 2019
Other services	59	65	48
Wholesale & retail trade	18	28	24
Banks	5	17	15
Metals & metal products	13	16	14
Chemicals, rubber, plastics	11	13	14
Primary sector	4	7	7
Post and telecommunications	1	6	7
Hotels & restaurants	7	7	4
Machinery, equipment, furniture, recycling	5	14	4
Insurance companies	4	6	3
Food, beverages, tobacco	6	6	3
Education, health	3	2	3
Transport	4	10	2
Construction	6	1	1
Wood, cork, paper	4	2	1
Gas, water, electricity	0	0	1
Textiles, wearing apparel, leather	0	0	0
Public administration and defence	0	0	0
Publishing, printing	10	1	0

### Target sectors by value

Target sector	Q1 2018 (mil USD)	Q4 2018 (mil USD)	Q1 2019 (mil USD)
Wholesale & retail trade	1,819	586	1,216
Metals & metal products	310	165	627
Other services	1,176	915	625
Transport	636	47	330
Education, health	32	0	249
Chemicals, rubber, plastics	952	67	201
Machinery, equipment, furniture, recycling	472	109	200
Hotels & restaurants	375	124	181
Wood, cork, paper	202	8	120
Primary sector	73	416	67
Banks	12	10,837	55
Food, beverages, tobacco	166	31	31
Gas, water, electricity	0	0	7
Insurance companies	492	161	3
Construction	30	1	1
Public administration and defence	0	0	0
Post and telecommunications	0	1,280	0
Textiles, wearing apparel, leather	0	0	0
Publishing, printing	135	14	0

### Top target countries by volume

Target country	Q1 2018	Q4 2018	Q1 2019
1. US	5,388	12,857	4,972
2. China	3,983	4,271	2,840
3. UK	1,544	1,754	1,617
4. Germany	1,560	1,709	1,199
5. Japan	1,136	1,072	1,060
6. France	1,130	1,065	1,002
7. Australia	977	1,050	789
8. Sweden	605	668	657
9. India	684	568	600
10. Canada	853	775	598
11. Korea	659	752	568
12. Poland	759	344	533
13. Russia	497	464	470
14. Netherlands	669	651	468
15. Spain	638	812	462
16. Italy	382	466	438
17. Vietnam	277	501	377
18. Singapore	249	307	261
19. Switzerland	368	415	207
20. Taiwan	206	272	200
25. South Africa	159	205	152

### Top target countries by value

Target country	Q1 2018 (mil USD)	Q4 2018 (mil USD)	Q1 2019 (mil USD)
1. US	464,724	477,632	431,452
2. China	192,772	212,229	129,301
3. UK	75,117	53,131	71,768
4. Saudi Arabia	1,937	7,945	69,865
5. Germany	124,959	48,121	47,951
6. India	37,371	28,492	38,638
7. Canada	45,482	18,567	23,414
8. Netherlands	54,827	19,180	23,230
9. France	39,773	32,781	22,608
10. Russia	14,936	10,984	21,312
11. Korea	24,532	25,671	19,914
12. Switzerland	14,066	21,332	17,256
13. Australia	32,779	34,164	16,661
14. Japan	25,563	29,366	16,556
15. Cayman Islands	46,826	18,527	15,597
16. Singapore	9,225	11,174	14,126
17. UAE	6,580	3,776	13,995
18. Sweden	14,327	14,939	13,615
19. Spain	67,471	33,209	12,778
20. Israel	7,007	3,190	10,959
34. South Africa	6,825	14,876	3,947



## **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 date range is 01/01/2019 - 31/03/2019 inclusive.

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