



## North Africa Key Findings: 2010-2016 H1

**139** Number of reported PE deals

**US\$2.4bn** Value of reported PE deals

**59** Number of PE exits

AVCA's Spotlight on North Africa Private Equity provides a summary of recent private equity ("PE") activity in the region.

### Key findings:

- Between 2010 and 2016 H1, there were 139 reported PE deals in North Africa totalling US\$2.4bn
- North Africa accounted for 15% of the total number of PE deals in Africa for the period 2010-2016 H1. Its share of the total reported value of PE deals was 9% over the same period
- Morocco, Tunisia and Egypt accounted for 95% and 94% of all deals in the region by volume and value, with Morocco taking the single greatest share of deal volume in North Africa in 2010-2016 H1
- Between 2010 and 2016 H1, there were 59 PE exits in North Africa, with sales to trade buyers and PE firms accounting for a significant proportion of the exits

Further information is available to AVCA members

Figure 1: Percentage share of the volume and value of reported PE deals in North Africa, by country, 2010-2016 H1

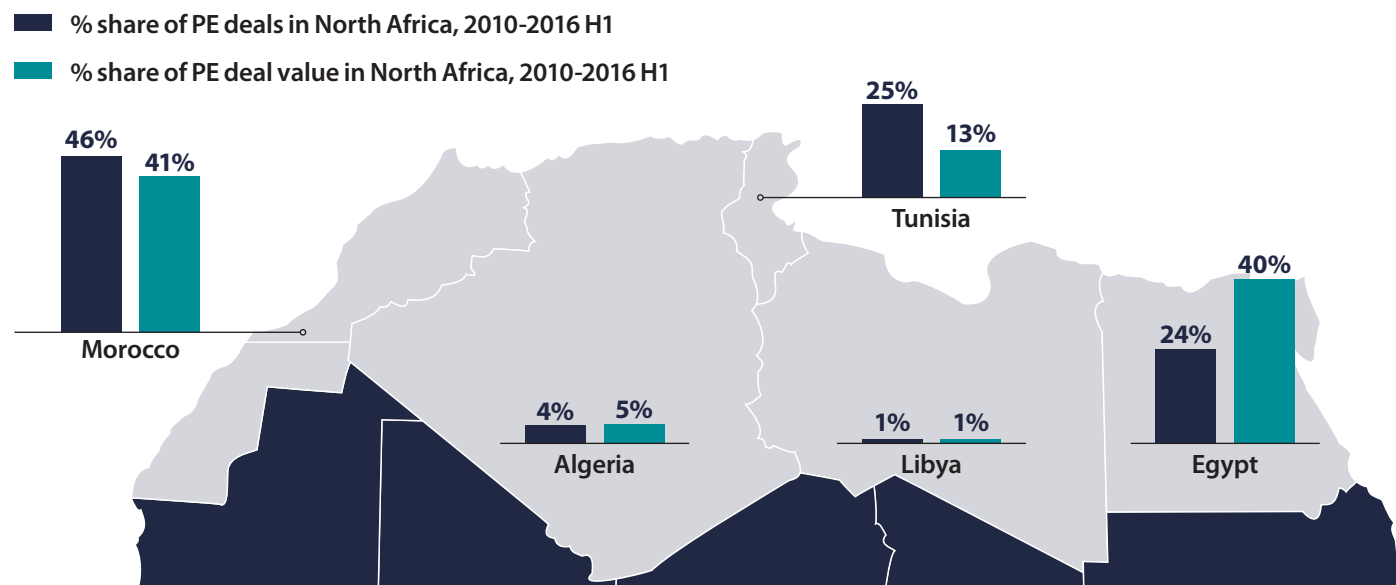


Figure 2: Selection of PE funds targeting North Africa, 2015-2016 H1

Fund Manager	Fund Name	Status	Fund Sector	Regional Focus	Final/Targeted Close (mn)
AfricInvest	AfricInvest Fund III	Fundraising	Generalist	Pan-African	€280
Development Partners International	African Development Partners II	Closed	Generalist	Pan-African	\$725
Emerging Capital Partners	ECP Africa Fund IV	Fundraising	Generalist	Pan-African	\$750
Helios Investment Partners	Helios Investors III	Closed	Generalist	Pan-African	\$1,100
Mediterrania Capital Partners	Mediterrania Capital II	Closed	Generalist	North Africa	€120
SPE Capital Partners	Africa Industrialization Fund	Fundraising	Generalist	Pan-African	\$400
The Abraaj Group	Abraaj North Africa Fund II	Closed	Generalist	North Africa	\$375



## Case studies of North Africa private equity exits

### CEPRO

**Country:** Algeria  
**PE Investor:** Mediterrania Capital Partners  
**Sector:** Consumer Staples  
**Entry Date:** December 2008  
**Exit Date:** November 2015  
**Exit Route:** PE  
**Returns:** Double-digit IRR



#### Key learnings from doing business in North Africa

- Although some administrative barriers exist, there are positive market trends and sector growth
- Despite less competition in Algeria, potential buyers need to be educated about the real level of risk
- Effective training and internal promotion are key to overcome the shortage of middle management talent
- There is increasing diversification of exit routes, as evidenced by a sale to another PE firm

### Général Emballage

**Country:** Algeria  
**PE Investor:** AfricInvest  
**Sector:** Materials  
**Entry Date:** 2009  
**Exit Date:** September 2016  
**Exit Route:** PE  
**Returns:** Not disclosed



#### Key learnings from doing business in North Africa

- A strong partnership with the founder and company management is crucial in implementing strategic change
- Regional expansion across North Africa is key to growth, and optimizing exit routes and returns
- A well-constructed and executed ESG strategy is critical for creating value - in terms of job creation, risk reduction and skills transfer - beyond financial returns

### SAHAM Finances

**Country:** Morocco  
**PE Investor:** The Abraaj Group  
**Sector:** Financials  
**Entry Date:** June 2012  
**Exit Date:** March 2016  
**Exit Route:** Trade  
**Returns:** Not Disclosed



#### Key learnings from doing business in North Africa

- A proven business model, coupled with excellent market positioning and under-penetration in the sector are strong drivers for investment
- Unlocked substantial value by implementing synergies across the subsidiaries of the company, such as centralised functions at holding level and captive reinsurance
- Deep sector expertise and fast execution capabilities are critical to secure external opportunities for growth
- Improved governance and back office procedures were significant value drivers

#### Research Methodology

Private equity (PE) is defined as both private equity and venture capital.

Transactions cover all investments made by private equity firms across all sectors, including infrastructure. It excludes PIPE transactions where the PE firm was unlikely to have any influence on company strategy. It includes initial and follow-on investments.

Deals dates are taken to be the date on which the deal is announced, unless otherwise specified.

Deals value includes equity, mezzanine, senior debt and significant co-investments (where available).

Sectors for transactions are based on Global Industry Classification Standard classifications.

Vintage year of fundraising is based on year of final close, where available. If a fund has achieved a final close but the year of final close is not known, year of first close is used instead.

GPs that are included have raised, or are raising, third-party PE funds from institutional investors. Qualifying funds include funds that have a sole focus on Africa or have an allocation to Africa alongside a broader emerging markets investment mandate. Funds with a global investment remit that invest in Africa are excluded.

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#### AVCA

37 North Row  
 3rd Floor  
 London W1K 6DH  
 United Kingdom

E [avca@avca-africa.org](mailto:avca@avca-africa.org)

W [www.avca-africa.org](http://www.avca-africa.org)

C [www.avcaconference.com](http://www.avcaconference.com)

T +44 (0)20 3874 7008