Catalyst

SA's quarterly Private Equity & Venture Capital magazine

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PE Deal of the Year 2024

Private equity trends in 2025

Bridging the valuation gap

FROM THE EDITOR'S DESK

Given the challenging macro backdrop and negative sentiment, it's unsurprising that equity returns have been elusive for some time. Coupled with a narrowing selection of South African listed equities, investors have been on the hunt for returns in alternative asset classes, which has propelled the rise in private equity (PE). Globally, the year 2024 was a significant one for PE, marked by major legal and regulatory developments that have reshaped the global landscape. These changes reflect its growth as an asset class and the institutionalisation of the sector, driven by increasing scrutiny, investor protection imperatives, and the need for greater transparency.

In South Africa, PE firms – which previously struggled with exits – found improved market conditions to sell mature assets or merge portfolio companies. Deal**Makers** recorded 52 PE transactions in the listed space in 2024, up from 45 in 2023. In the unlisted space, PE activity was down, with 54 transactions recorded against 79 in the previous year. Venture capital investments have experienced a tempered pace compared with previous years, as investors prioritise due diligence and risk mitigation amid tightening global capital flows. Investments during 2024 were concentrated in several key sectors, reflecting both global trends and domestic priorities. Four sectors stood out as preferred areas for investment: technology and financial services, infrastructure and energy, healthcare, and manufacturing and green energy.

The financial technology sector saw significant activity, demonstrated by Brazilian fintech giant Nubank's US$150m investment in Tyme Group, elevating Tyme to a valuation of $1,5bn and granting it unicorn status. And in a bid to modernise South Africa's logistical infrastructure and transition from coal-based power generation to cleaner energy sources, the Public Investment Corporation partnered with Abu Dhabi-based International Resources Holding to invest in rail infrastructure and green energy projects.

Another infrastructure transaction – PAIDF's exit of assets to Harith InfraCo – was awarded the Catalyst Private Equity Deal of the Year (pg 1). Other shortlisted nominees were Actis' acquisition from Telkom of Swiftnet, its telecom tower portfolio; the exit by Old Mutual Private Equity of its investment in Chill Beverages; and Actis' exit of Octotel and RSAWeb to AIIM and consortium partners.

So what can we expect for the PE industry in 2025? An article on page 6 highlights the trends expected this year. And while PE investments are known for their significant potential for returns, navigating the path to a successful exit can sometimes be challenging – the Bowmans team explores navigating PE exits via continuation funds (pg 8).

The government's evolving stance on privatisation and private sector involvement, especially in areas like energy and infrastructure, could create new investment opportunities in 2025, signalling a potential shift in policy that may favour PE investments. ◆

Marylou Greig

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Catalyst

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Gleason Publications

Catalyst magazine has always prided itself on recognising excellence in the South African private equity industry, and we are, once again, delighted to present a curated showcase of shortlisted candidates for the prestigious Private Equity Deal of the Year Award 2024.

PRIVATE EQUITY DEAL OF THE YEAR 2024

Exit by Pan African Infrastructure Development Fund of assets to Harith InfraCo

The R6,5bn acquisition by newly established Harith InfraCo marked the conclusion of Pan African Infrastructure Development Fund I (PAIDF), Africa's first 15-year tenure infrastructure fund.

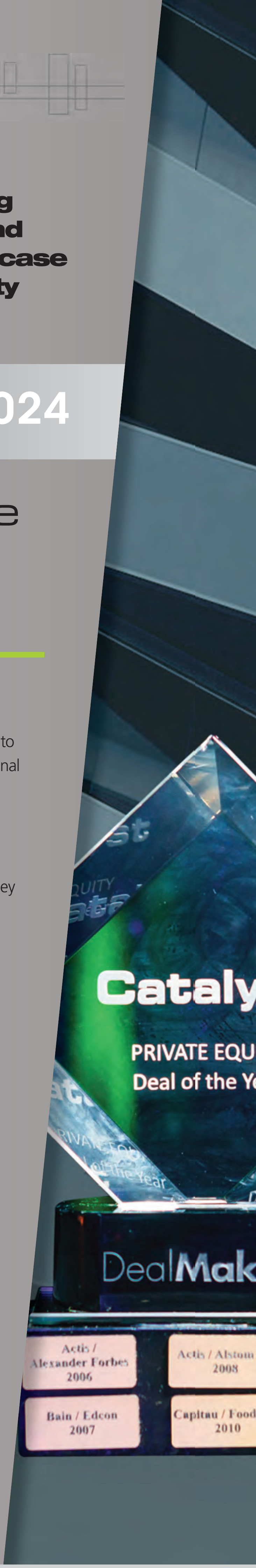
PAIDF was established as a vesting trust under South African law in 2007, with the primary goal of investing in private equity stakes across diverse critical infrastructure sectors throughout Africa, such as power and energy, telecommunications, transport, water and sanitation. PAIDF I commenced operations in September 2007, with commitments totalling US$625m from nine investors. A tenth investor joined following its second close in 2009, with total commitments increasing to $630m. The life of the fund was extended by two additional one-year periods.

PAIDF

Pan African Infrastructure Development Fund

Harith Infraco, the first transformed, long-term infrastructure platform in South Africa, successfully acquired PAIDF's shareholding in key quality continental energy, digital infrastructure and aviation assets across six sub-Saharan African countries. The assets include, among other African assets, a 37.92% stake in UK-domiciled energy firm Anergi, which owns leading energy assets in Africa; a 15.3% holding in Remgro's Community Investment Venture Holdings (CIVH) – a prominent operator of digital infrastructure assets in South Africa, controlling brands such as Vumatel and Dark Fibre Africa – and a 37.5% stake in the second largest private airport in Gauteng, Lanseria International Airport.

New equity partners Zungu Investments and Mergence Investment Managers joined the Development Bank of



Southern Africa (DBSA) and The Government Employees Pension Fund (GEPF), who remained invested in the assets managed by Harith General Partners. The deal also marked Harith's transition from fund manager to direct stakeholder.

The challenge for the parties was – in a suboptimal macro-economic environment, post a global pandemic, with rising inflation and high interest rates – to accommodate those longstanding investors who wished to exit within the originally agreed fund life, as well as those who wished to remain invested and to maximise value. The assets were acquired at an attractive entry multiple for the new investors, while resulting in significant returns for exiting PAIDF investors.

The deal was complex, with the establishment of Harith InfraCo encompassing assets located across several sub-Saharan jurisdictions. A debt funding process had to be followed and, in addition, the transaction involved the conversion from a private equity structure to a permanent capital structure which was more suited for infrastructure investment, while at the same time considering that the GEPF and DBSA would remain invested. The large number of parties involved in the transaction – each with differing interests – complicated negotiations, which spanned over 18 months.

"By enabling liquidity and a successful exit for PAIDF I's investors at fair multiples, the transaction realised the full value of the assets while strategically retaining these critical investments within Harith's portfolio. This ensured continuity in their contribution to socio-economic development, infrastructure sustainability and regional integration" (Sipho Makhubela: CEO Harith General Partners).

For Harith InfraCo, the deal positions it as one of the powerhouses in the African infrastructure investment landscape and the transaction can be considered a win for all stakeholders involved. ◆

Local Advisers: PSG Capital, White & Case (SA), KPMG, Nolands Capital, Standard Bank (debt funding).

Comment from the Independent Panel:

This was a complex transaction, creating a permanent capital vehicle which will create capacity for further, much-needed infrastructure investment in the region. Managing the many stakeholders in this transaction and achieving great results for exiting investors, while creating a platform for new and existing investors, differentiated this transaction.

Criteria used for the selection of the shortlist for Private Equity Deal of the Year:

- An asset with good private equity characteristics: a cashflow generative business and able to service an appropriate level of debt; a business model that is resilient to competitor action and downturns in the economic cycle; a strong management team that is well aligned with shareholders and capable of managing a private equity balance sheet; predictable capex requirements that can be appropriately funded.
- Deal size is a factor to filter deals, but plays a limited role for acquisitions. It does carry more weight for disposals.
- Potential / actual value creation – was the asset acquired at an attractive multiple? If the deal is an exit, was it sold at an attractive price? What is the estimated times money back and / or internal rate of return?

There is limited information available in the public domain on private equity deals, and even somewhat educated guess work doesn't provide all answers in all instances.

This is the 20th year in which the Private Equity Deal of the Year has been awarded. Nominations were received from advisory firms and judged by the Independent Panel, consisting of Nicky Newton-King, Phuthi Mahanyele-Dabengwa and James Formby.

PICK OF THE BEST (in no particular order)

Actis Africa's acquisition of Swiftnet from Telkom

The R6,7bn acquisition by Actis – a global investor in sustainable infrastructure – of a 70% stake in Swiftnet, alongside Royal Bafokeng (30%) as its empowerment partner, represents one of the largest deals in the telco sector in 2024.

Swiftnet, one of the largest owners, operators and developers of mast and tower infrastructure in South Africa, represents a strategic acquisition for Actis, with approximately 4,000 sites across South Africa. The deal, which was announced in March 2024, aligns with its goals of sustainable growth and infrastructure development while providing a solid foundation for future expansion in the telecommunications sector. The platform is underpinned by a strong relationship with Telkom and other existing anchor tenants, and long-term contractual revenue.

The disposal by Telkom was in line with global trends for mobile network operators to divest of their tower portfolios. For Telkom, the deal enabled it to de-gear its balance sheet and formed part of its value unlock strategy for shareholders, selling an asset that contributed c.9% of its EBITDA for c.40% of its market capitalisation. Beyond the financial implications, the deal ensured a seamless continuity for Telkom's related businesses, particularly Telkom Consumer and Openserve, by guaranteeing continued access to Swiftnet's infrastructure under mutually beneficial terms. The additional capital will give Telkom the flexibility to focus its investment in next-generation technology infrastructure.

The transaction was complex on a number of levels. Telkom first started exploring the value unlock strategy in 2020, requiring engagement with multiple stakeholders. Comprehensive due diligence processes were undertaken, and complex legal negotiations involved not only the transaction agreements, but also key supplier/customer contracts held by Swiftnet. In addition, the transaction required the approval of the competition authorities and the independent Communications Authority of South Africa and, as a category one transaction for Telkom (a disposal exceeding 30% of market capitalisation), the approval of shareholders – with majority shareholders being the South African government and the Public Investment Corporation, which required extensive stakeholder engagement. The nature of the buyers consortium required the alignment of a number of sophisticated equity partners, which included obtaining the support of the various governance and approval structures of these equity providers.

Swiftnet has significant growth potential going forward, given South Africa's rapidly growing data demands, and the furthering of telco infrastructure a critical element in the development of South Africa as a whole. The deal allows Actis to invest in this growing sector, with strong secular tailwinds and an increasing need for tower densification driven by increasing internet penetration and the transitions from 3G and 4G to 5G.

Local Advisers: Rothschild & Co, Rand Merchant Bank, Itai Capital, Nedbank CIB, Bowmans, Webber Wentzel, Baker McKenzie South Africa, PwC, SNG Grant Thornton and EY.

Comment from the Independent Panel:

A major transaction in the telco industry, this deal unlocked value for Telkom shareholders.

Actis' exit of Octotel and RSAWeb to AIIM and consortium partners

In 2020, Actis acquired a controlling interest in Octotel – a South African fibre-to-home operator (FTTH) – from Pembani Remgro and other shareholders for an enterprise value of c.R2,3bn. At the same time, the infrastructure investment fund signed agreements to acquire a non-controlling interest in RSAWeb, a leading internet service provider. In March 2024, Actis disposed of 100% of Octotel and its 45% stake in RSAWeb (for an undisclosed price) to a special purpose vehicle held by a consortium comprising African Infrastructure Investment Managers (AIIM) through its IDEAS Infrastructure Fund II Partnership, Thebe Investment Corporation, and French impact investor STOA.

A key player in the FTTH and FTTB markets, Octotel's open access fibre network passes c. 350,000 homes and caters to over 110,000 homes and businesses in the Western Cape, up from 195,000 and 56,000 respectively when Actis first acquired the platform. The company's rapid expansion and the increasing demand for high-speed internet in South Africa reflect the growing importance of digital connectivity for both personal and professional use.

The exit by Actis resulted in significant returns for its investors over a short investment period. "Octotel has proved to be an excellent investment for Actis … we have been able to scale the platform and generate significant returns for our investors while driving positive social impact" (David Cooke: Partner Actis). Octotel has provided free 1 GB internet connections to more than 150 schools in the Western Cape, converted its fleet of vehicles to LPG hybrid vehicles to decarbonise transportation, and secured one of the first social loans in South Africa, in recognition of the company's work to promote digital inclusion.

The transaction brings much-needed foreign currency into the country through STOA, while at the same time introducing a black economic empowerment component not previously present. With this transaction, the consortium has committed to support the network expansion of the company, as well as supporting its expansion into new

segments, so that Octotel can remain a key player in South Africa's digital infrastructure development.

In line with the seller's exit strategy, the transaction was run according to tight deadlines. The process commenced in November 2023, and the deal, inclusive of regulatory approvals, was closed in September 2024. ◆

Local Advisers: Webber Wentzel, Bowmans, ENS, Deloitte and Rand Merchant Bank (debt funding).

Comment from the Independent Panel:

A foreign and BEE investment combining to acquire an asset in a fast-growing industry segment.

Exit by Old Mutual Private Equity of its investment in Chill Beverages and Inhle Beverages

Old Mutual Private Equity (OMPE) took control of the beverage businesses in June 2022, when it acquired and delisted Long4Life via a leveraged-buyout transaction.

The exit of this investment from the OMPE Fund V to a consortium led by Alterra Capital Partners, and including Mineworkers Investment Company and Admaius Capital Partners, represented an opportunity to position the businesses for the next phase of growth and return capital to its investors. The acquisition marked the first investment by Alterra's Africa Accelerator Fund.

South Africa's beverage industry is undergoing a transformation, driven by innovation, changing consumer preferences and a commitment to sustainability. The shift marks a departure from the traditional beverages towards a more dynamic and forward-thinking market.

Under OMPE's stewardship, Chill and Inhle Beverages has become a fully integrated beverages platform in the fast-growing beverage segment, through its diverse range of Score energy drinks, Fitch & Leedes premium mixers, and Chateau Del Rei – a canned perlé sparkling wine. It has manufacturing facilities in Heidelberg (Gauteng) and Stellenbosch (Western Cape), using excess capacity to co-pack for other multinational companies in the energy drinks and alcoholic beverages industry. Since OMPE's acquisition, the company has more than doubled, enjoying significant growth, not only in the integration of the business for greater efficiency, but also in terms of geographic expansion within South Africa.

The transaction marks the most significant exit to date in Old Mutual Private Equity Fund V, following the Fund's previous exits of Sorbet (sold to Clicks), LimeLight and Clayton Care in its Personal Care & Wellness cluster. For OMPE, "the vision we share in our partnership with the Company's management team has led to an extraordinary blend of growth and transformation for the business, culminating in great success. We believe that Chill & Inhle Beverages is well positioned for the future" (Chumani Kula: Co-Head of OMPE).

For the consortium, the transaction represented an attractive opportunity to deploy capital, acquire a leading player with strong growth underpin, and enter the fast-growing energy drink and beverage market. The consortium will support Chill through the provision of additional marketing spend on its brands, increasing the focus on developing a wider distribution network, and investing in new product development to extend its production range.

The transaction closed on 14 October 2024. ◆

Local Advisers: Standard Bank, Rand Merchant Bank, Nedbank CIB, Webber Wentzel, Cliffe Dekker Hofmeyr, ENS and EY.

Comment from the Independent Panel:

The deal represents a maiden investment by Alterra in their Africa Accelerator Fund.

Looking ahead: private equity trends in 2025

As the new year unfolds, the private equity (PE) landscape in South Africa is marked by both opportunities and challenges shaped by economic conditions, geopolitical shifts, regulatory changes and other factors. Despite such complexities, PE, known for its resilience, remains a significant asset class and should continue to attract investment.

Thandiwe Nhlapho

According to the 2024 Private Equity Industry Survey conducted by the South African Venture Capital and Private Equity Association (SAVCA), 62% of PE firms expect high deal flow in Southern Africa in 2025.[1]

Several trends are expected to drive growth and shape South African PE in 2025, with the deal value in the local PE market expected to increase by 6.51% to US$62,12m in 2025.[2] This article considers some of the trends which are likely to influence the South African PE market this year.

There is notable optimism among local PE firms compared with their global counterparts in relation to exit activity. The African Venture Capital Association reported that the volume of exits in the first half of 2024 surpassed that of the same period in 2023.[3] It appears that this will be a continuing trend in 2025. According to the abovementioned 2024 SAVCA survey, PE firms in Southern Africa are more optimistic about an increase in exit activity than their global peers.

Furthermore, as managers seek new capital sources and investors aim to reduce fees, co-investments are becoming increasingly prevalent. Offering co-investment opportunities to limited partners (LPs) has proven advantageous and is expected to remain a key strategy for improved fundraising, increased deal flow and risk mitigation.

There is notable optimism among local PE firms compared with their global counterparts in relation to exit activity. The African Venture Capital Association reported that the volume of exits in the first half of 2024 surpassed that of the same period in 2023.

Macroeconomic factors

The macroeconomic environment, including inflation and interest rate trends, will significantly influence PE activity in 2025. Several major economies, most notably the United States, have begun cutting interest rates and several African countries, including South Africa, have followed suit. Lower interest rates can stimulate investment activity by reducing the cost of borrowing, allowing PE firms to finance acquisitions and expand their portfolios.

Nhlapho

Additionally, political stability will be crucial for investor confidence and market growth. Following the recent elections in South Africa and the subsequent transition to a Government of National Unity (GNU), there are promising signs of progress in addressing structural obstacles to economic growth. This has prompted both local and international investors to reassess their perspectives on South Africa as an investment destination.

However, much depends on the GNU's ability to create and foster a more business and investor friendly environment.

LPs will seek managers capable of delivering strong performance at the microeconomic level despite macroeconomic challenges, which is essential for achieving successful exits and delivering distributions.

ESG | Impact investing

There is a growing shift towards sustainable and impact investing driven by increased awareness of environmental, social and governance (ESG) factors. As part of integrated ESG and impact investing, there is also a rise of impact orientated strategies such as gender-lens investing, which entails investing in women-owned or women-led businesses, climate action, and inclusive development. These trends are expected to continue gaining traction as investors increasingly seek to align their financial returns with positive and sustainable outcomes.

In addition, these trends are reshaping the competitive landscape, influencing capital allocation decisions across various sectors and prompting a re-evaluation of traditional investment strategies. As a result, ESG criteria and impact initiatives will be integrated into investment strategies, recognising the potential for long-term value creation.

South Africa's historical context underscores the critical need for investments that address social disparities, driving PE firms to prioritise businesses that foster job creation and empowerment. This focus aligns with regulatory frameworks such as Broad-Based Black Economic Empowerment.

Sector specific opportunities

Attracting private capital to generalist funds is becoming increasingly challenging, compared to funds with specific strategies that align with the objectives of investors interested in particular sectors. Consequently, targeted investment and specialist funds which focus on specific industries are expected to continue receiving favourable attention.

Technology, Fintech and Innovation

Investment in the technology sector is anticipated to increase, driven by the imperative for digital transformation across various industries. This trend is bolstered by the growing need for internet services, mobile technology, and digital finance solutions, particularly in underserved populations across the country. The fintech sector provides significant opportunities to scale financial inclusion in South Africa.

PE firms are likely to pursue opportunities in innovative, AI and machine learning companies. South Africa's tech industry is emerging as a significant growth driver, with the country being positioned as a hub for innovation and digital transformation on the African continent. The government has also expressed a commitment to foster a business environment that encourages entrepreneurship and innovation.

Infrastructure Development and Renewable Energy

South Africa's logistics and industrial real estate sectors are notably robust, driven by increasing demand for warehousing and distribution centres to support e-commerce growth and telecommunication infrastructure development.

The country's integration of renewable energy sources is not only a strategic response to climate change, but also a critical necessity due to the country's ongoing energy crises, specifically in electricity generation.

There is a growing demand for economic and social infrastructure projects in South Africa. The government has plans to improve its infrastructure, particularly in energy, healthcare, transportation, and water management. Furthermore, the government has opened up power generation to independent power producers, which have become key players in developing renewable energy projects. This presents collaboration opportunities through public-private partnerships and PE involvement in such projects.

The renewable energy sector in South Africa, particularly solar, wind and nuclear energy, presents one of the most promising investment opportunities. The country's integration of renewable energy sources is not only a strategic response to climate change, but also a critical necessity due to the country's ongoing energy crises, specifically in electricity generation.

According to the South African Institute of International Affairs, South Africa is one of the African countries with the highest share of renewables on the continent.[4] This positions the nation as a key player in the continent's transition to sustainable energy solutions, offering significant potential for PE investments.

Conclusion

The South African PE market in 2025 stands at a pivotal juncture, offering exciting opportunities despite the challenges. As one of Africa's most developed economies, South Africa presents a diverse array of investment prospects across various sectors. By adeptly navigating the key trends within the PE market, investors can identify where growth opportunities lie and strategically position themselves to capitalise on such opportunities. ◆

Nhlapho is a Corporate Financier | PSG Capital.

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1 https://savca.co.za/wp-content/uploads/2024/08/SAVCA-PE-Survey-2024-Digital.pdf

2 https://www.statista.com/outlook/fmo/private-equity/south-africa

3 https://www.avca.africa/media/i1cjek11/avca24-06-apca-q2_5-new.pdf

4 https://saiia.org.za/research/renewable-energy-technologies-in-the-global-south-insights-from-africa/.

South Africa: Navigating private equity exits via continuation funds

Private equity (PE) investments are known for their significant potential for returns, but navigating the path to a successful exit can sometimes be challenging.

Michael Rudnicki , Jutami Augustyn, Diwan Kamoetie and Eamonn Naidoo

Historically, typical South African PE funds are structured as *en commandite* (limited liability) partnerships with a predetermined term, often 10 years (plus two one-year extensions). At the end of the term, the investments are usually realised, and the investors share the returns. Common ways of exiting private equity funds are either via sales to other companies or secondary buyouts to other PE firms.

Rudnicki

However, fund managers may face the challenge of trying to exit at the end of the pre-agreed life of the fund when investments are performing well and an exit would diminish value, or when market conditions are not conducive to an immediate exit. A practical solution may be to set up a continuation fund.

Continuation funds

A continuation fund is a vehicle used to extend the life of a PE fund beyond its original term. Existing investors have the option to roll over their interests into a new fund structure, allowing the fund manager to continue managing the portfolio beyond the initial investment.

However, navigating a continuation fund as a way to exit a PE fund requires careful consideration due to the tax implications.

Tax implications

The *en commandite* partnership of a typical PE fund does not enjoy a separate legal or tax persona. In terms of common law, the property of a partnership is co-owned, in an abstract sense, by the partners themselves in undivided (but not necessarily equal) shares, proportionate to their interest in the partnership and on the terms and conditions laid out in the partnership agreement.

Augustyn

The dissolution of a partnership will attract capital gains tax (CGT) for the partners if the division of the assets constitutes a 'disposal' or is deemed a disposal for tax purposes.

Disposals

A 'disposal' is defined in South Africa's Income Tax Act, 1962 as including 'any event, act, forbearance or operation of law which results in the creation, variation, transfer or extinction of an asset'. The definition provides particular inclusions with terms such as 'conversion', 'sale' and 'exchange'.

When partners initially make their capital contributions to the private equity fund, each acquires an undivided share in the assets. In *Chipkin (Natal) (Pty) Ltd v Commissioner for the South African Revenue Service* (SARS) (the Chipkin Case), it was confirmed that the undivided share in the asset and its 'partnership interest' are mutually exclusive.

Following the Chipkin Case, the disposal of a partnership interest where ownership is transferred to a third party or an existing partner will result in the disposal of an 'asset' for CGT purposes.

The proceeds less the base cost of the asset will result in either a capital gain or a capital loss in the hands of the partner. If the partner is a South African company and there is a gain, it will be subject to CGT at an effective rate of 21.6%, while a capital loss may be capable of being off set against capital gains realised by the partner, provided none of the loss limitation rules apply.

Kamoetie

Partners 're-investing' in the continuation fund

While the dissolution of a partnership would, at face value, constitute a 'disposal' for tax purposes, the principle underpinning a disposal is that a person must have disposed of an asset in the sense of having parted with the whole or a portion of it.

In terms of a typical private equity fund, partners' rights and interests are established upfront by having regard to, *inter alia*, the profit-sharing waterfall that would be set out in the partnership agreement. Until the disposal of a partner's interest in the underlying partnership asset, the value of each partner's interest typically fluctuates. Particular to a general partner of a fund, the value fluctuates disproportionately to the general partner's initial capital contribution. These changes arise as a result of the partnership interests established upfront.

Mechanically, the termination of a partnership will trigger a replacement of the abstract proportionate co-ownership of the underlying assets with actual ownership of the underlying assets. In this regard, the investor has not parted with anything, nor gained anything. The subsequent contribution of the assets to the continuation fund is then represented by a partnership interest in the new fund.

In the continuation fund, a partner's interest may differ from that of the old fund, although we assume, for the purposes of this article, that the partner's interest does not differ in <u>value</u>. For example, an exiting partner may have been a general partner in the old fund but a limited partner in the continuation fund. In respect of the asset itself and the partner's co-ownership rights in the asset, provided the partner does not monetise the value, the partner will have parted with nothing.

A limited partner in the old fund that contributes its shares to the continuation fund as a general partner will not give up value on the date of admission to the new partnership because the value of the contribution equals the value of the shares distributed from the old fund. The profit-sharing waterfall in the continuation fund needs value accretion or depreciation from that point. Accordingly, a disposal for CGT purposes should not arise upon admission into the continuation fund. The application of this view is supported in *SARS Binding Private Ruling 391 (2023* (BPR 391)).

Included within the 'disposal' rules is a deemed disposal referred to as a 'value shifting arrangement'. The value-shifting provisions apply primarily to a movement in a partnership interest in respect of an existing partnership. Accordingly, these shifting provisions should not apply on the dissolution of a partnership as the said partnership is no longer in existence.

This view was also confirmed in *BPR 391*, where SARS held that the dissolution of a partnership did not result in any change in the rights held by the partner and, therefore, would not constitute a 'value-shifting arrangement'.

Naidoo

Once the benefits of utilising a continuation fund to cater for specific commercial needs at the end of the term of a fund have been taken into account, one would also need to consider the rights/entitlements of each specific partner in such fund to determine whether a tax disposal event arises. Unless a particular partner monetises its interest in the dissolved partnership, the contribution of the co-owned interest in the underlying assets to the continuation fund should ordinarily not result in a disposal for CGT purposes. ◆

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BOWMANS
THE VALUE OF KNOWING

Relationship of risk and reward

A minority investor's perspective on assessing and managing a key perceived risk.

Geoff Wilmot

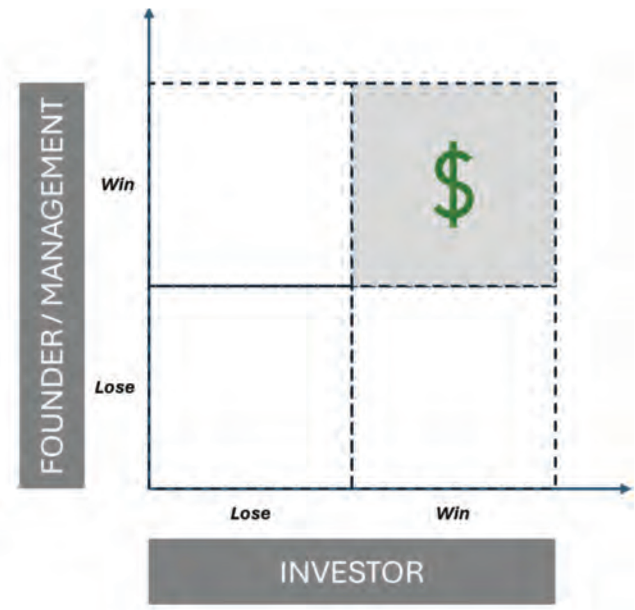
Risk lurks around every corner in our industry. If risk is topical (and, unfortunately, it always is), then let's explore one particular risk that consistently preoccupies our investment committee members' collective imagination: the risk that is inherent in business relationships.

Company financial metrics, industry trends, and Donald Trump's latest tweet aside, relationships represent one of the biggest possible pitfalls in the private capital investment world. This is especially pronounced for us, as we typically operate as minority investors rather than control investors. As such, we place what some may deem a disproportionate focus on the relationships required in any new investment. This relationship is typically with the founder, family, or management team we are backing (and is often a combination of all three). In this context, the relationship becomes a critical driver of investment outcomes.

Wilmot

Relationships are dynamic and temporal. They evolve continuously and exist through time, rather than at a fixed point. This means that rarely, if ever, is there a distinct outcome that is definitively 'win-win'; instead, investors must strive for ongoing positive relationships.

At the simplest level, human relationships have four outcomes over time: win-win, win-lose, lose-win, and lose-lose. These outcomes translate directly into the investment world, as shown in the graphic below.



It's clear where PE firms want to reside and, at RMB Corvest, we know that our circa 223 deals over 35 years – with approximately 165 (mostly) successful exits – have only been achieved because 'win-win' has been the predominant relationship outcome.

Relationships are dynamic and temporal. They evolve continuously and exist through time, rather than at a fixed point. This means that rarely, if ever, is there a distinct outcome that is definitively 'win-win'; instead, investors must strive for ongoing positive relationships.

A hallmark of private equity is the ability to compound returns—we all know the cliché: 'keep backing the winners.' In our view, this principle applies to relationships first and foremost, which typically correlates directly to financial returns. Our ultimate ambition, therefore, is to maintain 'win-win' relationships for as long as possible, allowing the mathematics of compounding to do its work.

But this is no easy feat. Can one foresee, before investing, how a relationship will unfold over the long term in the challenging environment of doing business in South Africa? Very unlikely. Especially when the best partners, in terms of investment outcomes, are often maverick personalities. However, institutional knowledge, experience and deep networks can provide an edge in this regard.

Let's assume a new investment opportunity arises. All the usual analyses are conducted to assess its quality—industry, business model, financials, etc. Crucially, relationship risk is also evaluated. If all goes well and the investment is completed, how is this relationship risk managed on an ongoing, post-investment basis? This may be even more important than the initial assessment for two key reasons: (i) without being able to rely on the upfront risk assessment as an exact science, post-investment behaviour becomes critical to investment outcomes, and (ii) the South African market is small, and the feedback loop on investment firm behaviour is short. The types of partners we seek are those who care deeply about how we've behaved with others before them.

One effective principle for managing these critical relationships is this: prioritise outcomes over ego. This requires the discipline to focus on the ultimate goal, rather than falling into traps such as being 'right' or 'wrong' in countless ongoing interactions. Avoiding arbitrary battles for the sake of proving a point (or worse, to score points) is essential.

It seems simple: a primary driver of investment outcomes as a firm is human in nature; human relationships need to remain 'win-win' over time to enable the inevitable compounding of returns; and this often relies on our investment team's deliberate focus on outcomes over ego. In theory, this forms a straightforward yet effective risk management regime for one of our key risks. The practice, of course, is another matter.

Risk lurks around every corner, but when it comes to relationship risk, a thoughtful approach can mitigate much of the uncertainty. ◆

Wilmot is an Executive | RMB Corvest.

RMB

The growing prevalence of W&I insurance in SA

Since the emergence of Warranty and Indemnity (W&I) insurance in the South African market, this form of insurance has gained momentum as a tool for getting deals done effectively and efficiently. Although traditionally utilised by players in the private equity (PE) space, W&I insurance is increasingly being used by corporate and trade entities.

Janine Howard

Traditionally, the primary driver for using W&I insurance in PE deals has been that where PE funds are exiting an asset, they are required to use the proceeds of the sale to realise returns for their investors.

Accordingly, being liable for a number of years in respect of warranty claims can prove problematic once proceeds have been distributed to investors, and the concept of an escrow arrangement or holdback for future warranty claims is not attractive to PE funds.

In addition, PE funds have been reluctant to give operational warranties in respect of the target assets as they are not generally involved in the day-to-day aspects of the business. A further reason for the prevalence of W&I insurance in PE deals is that when PE funds acquire an asset, the selling parties are often founders and they, together with the existing management team, will remain involved or even reinvest in the business.

As such, maintaining positive working relationships with founders and management is a key priority for the success of the business, and using W&I insurance shifts any liability for warranty breaches from the seller to the insurer. This is because the W&I insurance product seen most frequently in the South African market is a no-recourse policy, which means that any amounts paid out by the insurer cannot be recovered from the seller.

Another advantage of W&I insurance is that the parties are more likely to engage in commercial negotiations where a broader, more reasonable set of warranties can be given, instead of the discussions being driven solely by a desire to limit potential recourse.

Finally, W&I insurance also has the advantage of mitigating against enforcement risk in cross-border deals because a claim is made against the insurer and not the sellers, who may be scattered across various jurisdictions.

Howard

These elements of W&I insurance have also been noted more recently by trade buyers and sellers and, therefore, we have seen the expansion of W&I insurance beyond the PE space.

However, despite the increasing prevalence of W&I insurance in South Africa, it still raises a number of questions, and it is not always clear to transacting parties how to get the best value out of this product. To clarify this, we have set out some frequently asked questions and responses on W&I insurance below.

Traditionally, the primary driver for using W&I insurance in PE deals has been that where PE funds are exiting an asset, they are required to use the proceeds of the sale to realise returns for their investors.

What will typically be covered under a W&I insurance policy, and how can cover be maximised?

Broadly speaking, W&I insurance policies will cover loss arising from a breach of warranties resulting from matters that were unknown to the buyer, as well as any defence costs and gross-up costs. There will, of course, be limitations on the amounts and what can be claimed from the insurer, and these largely mirror what one would expect to see in a sale agreement.

Examples of such limitations will typically include *de minimis* amounts, below which a warranty claim cannot be made, retention amounts, and limitations on the total liability of the insurer under the policy. The thresholds at which the limitations are set will be negotiated between the insurer and the insured and will affect the pricing of the policy.

The quality and extent of coverage under the W&I insurance policy will fundamentally be driven by the extent and quality of the due diligence investigation that was undertaken in relation to the target asset. This is because the policy will only cover unknown risks and, as such, the insurer will seek to get comfort from the due diligence investigations that all risks have, to the extent reasonably possible, been uncovered and are known to the buyer.

Despite this review and examination of the due diligence reports, it is worth noting that the insurer will not seek to obtain reliance on the reports. Typically, areas that are not investigated, or are not adequately investigated as part of the due diligence process, will not be covered by the W&I policy. Accordingly, the best way to maximise cover under the W&I insurance policy is to ensure thorough due diligence has been undertaken on the target asset.

What will typically be excluded from cover under a W&I insurance policy and how should the parties deal with this excluded liability?

In addition to matters that are known to the buyer and items that have not been adequately investigated, there are a number of general exclusions that are typical for South African W&I insurance policies. These include any fines and/ or penalties other than those relating to tax, consequential and indirect losses, structural defects, purchase price adjustments, anti-bribery and corruption liabilities, and environmental pollution liabilities.

Liability for matters excluded from the W&I insurance policy should be negotiated between the buyer and the seller. Increasingly, the position in South Africa is that the seller is expected to stand behind such excluded matters, subject to market-appropriate limitations of liability.

What are the costs of W&I insurance and who is liable for these costs?

The cost of W&I insurance in South Africa was considered high in the past, being around 1.75% to 2.5% of the amount insured under the policy.

However, the global decrease in M&A activity in the United Kingdom and United States has meant that insurers are more willing to extend their reach into Africa. This competition has resulted in the decrease of premiums, and it is now common to see premiums in the range of 0.9% to 1.7% of the amount insured under the policy.

Traditionally, when used by PE funds, it was generally accepted that the buyer would bear the cost of the W&I insurance on the understanding that when the PE buyer eventually exits, they will see the benefit of a W&I policy, which is then paid for by the incoming buyer.

However, as more and more trade buyers are looking to make use of W&I insurance, the cost of the insurance is being more heavily negotiated and, although it is still more common for the buyer to pay the costs, there has been a rise in the premium being split between buyers and sellers.

What is the timing for putting a W&I insurance policy in place?

Often, transacting parties are reluctant to explore W&I insurance on the basis that it may delay a transaction. However, this is increasingly proving not to be the case because W&I processes can be managed in parallel with the negotiation of the transaction and insurers are eager to work within the existing deal timelines. Depending on the availability of the due diligence materials, the W&I processes would typically take between two and four weeks.

As the appetite for W&I insurance grows across the continent, dealmakers should seek out brokers and advisors to test the viability of this insurance for their transactions, even if it is not initially contemplated. ◆

Howard is a Partner | Bowmans.

Bridging the valuation gap: A new era in private equity partnerships

The post-pandemic landscape has transformed the relationship between private equity firms and business owners.

Ndima Marutha

Gone are the days of inflated valuations. Instead, a more measured approach has emerged, focusing on businesses with robust fundamentals: sustainable earnings, healthy capital structures, and minimal capital expenditure requirements. This shift represents not just a temporary adjustment, but a structural change in how private equity evaluates and approaches potential investments.

Understanding the valuation disconnect

Private equity firms evaluate businesses through various distinctive measurable factors, seeking companies capable of achieving EBITDA growth while managing debt obligations. However, South African businesses face unique challenges: escalating fuel costs, persistent inflation, low economic growth, and policy uncertainty—all of which impact EBITDA, cash generation and, ultimately, valuations.

When evaluating their businesses, many owners integrate qualitative elements in addition to quantitative factors, which may include their company's historical resilience through various business cycles, years of personal sacrifice, and emotional investment in building their enterprise. This divergence in valuation approaches often creates a valuation gap between buyer and seller expectations. Understanding this disconnect is crucial for both parties to reach mutually beneficial agreements.

Marutha

The current market reality

The elevated cost of capital and subdued economic growth have led to more conservative valuations. Private equity firms thoroughly examine historical performance, customer relationships, management capabilities and growth forecasts, and they assess market position, operational efficiency and technology infrastructure as key value drivers. The lingering effects of COVID-19 have complicated valuations further, leading firms to apply lower perpetual growth rates to account for increased risk.

Risk assessment and mitigation

Today's private equity investments require a nuanced understanding of multiple risk factors. Economic risks include interest rate volatility, currency fluctuations, and inflation impact on margins. Operational risks encompass supply chain disruptions and labour market challenges, while strategic risks consider competitive landscape changes and technology disruption potential. Successful firms develop comprehensive strategies to address these risks while maintaining return expectations.

Bridging the valuation gap through innovative structures

While independent valuation experts can assist, their assessments can vary due to underlying assumptions underpinning the valuation. This has led to the increasing use of innovative pricing mechanisms. Earnout structures or "agterskot payments", including performance-based payments and milestone-linked considerations, help align interests.

The new partnership paradigm

Modern business owners seek more than just capital from private equity partners. They value cultural alignment, sector expertise, and strong B-BBEE credentials. Financial acumen and strategic input remain crucial, but equally important are the track records of successful partnerships and exits, as well as access to strategic relationships. Governance expertise and commitment to transformation have also become key differentiators in partner selection.

Future trends and considerations

The private equity industry continues to evolve, with increasing emphasis on ESG integration, digital transformation, and market consolidation opportunities. Environmental impact, social responsibility and governance structures have become integral to investment decisions, and technology adoption and innovation potential significantly influence valuations and partnership decisions.

The South African private equity landscape remains promising despite current challenges. Success requires a balanced approach that considers both quantitative metrics and qualitative factors, supported by innovative deal structures and a clear focus on value creation. Those who successfully navigate these challenges while building trust and alignment between parties will be best positioned to capitalise on the opportunities ahead.

By acknowledging and addressing the valuation gap while focusing on shared long-term objectives, both parties can create partnerships that unlock sustainable value and drive business growth. The future of private equity in South Africa depends on the industry's ability to adapt to changing market conditions while maintaining its focus on creating sustainable value through genuine partnerships. ◆

Marutha is an Associate | Agile Capital.

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NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	Convergence Partners Digital Infrastructure Fund from Alviva	Datacentrix	Absa CIB; Bowmans; Tugendhaft Wapnick Banchetti	not publicly disclosed	Jan 17
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from M Lawlor and the Lawlor Family Trust	Mayfair Gearbox Holdings	Sanlam Corporate Finance; ENS	undisclosed	Jan 22
Disposal by	Ethos Fund VI (EPE Capital Partners) [Rohatyn Group] to Ellis South Africa (S&S Ellis managed by Sango Capital)	Neopak	Baker McKenzie South Africa; Webber Wentzel; EY	not publicly disclosed	Jan 26
Disposal by	Carlyle to ASSA ABLOY Group	Amecor	Baker McKenzie South Africa	undisclosed	Jan 26
Acquisition by	Barkophor Investments from Izandla Property Fund	Sasol DC (8th Avenue, Sasolburg, Free State)	Vani Chetty Competition Law	undisclosed	Jan 31
Joint Venture	Standard Bank, STANLIB and Scatec	Lyra Energy	Standard Bank; Bowmans	undisclosed	Feb 2
Acquisition by	Vantage Capital Partners from founders	a significant minority stake in Procera (previously Blake & Associates)	PwC Corporate Finance; Werksmans; Webber Wentzel; Eversheds (SA); STBB; EY; Step Advisory	not publicly disclosed	Feb 2
Acquisition by	Evolution III Fund from IBL Energy and STOA	a stake in Energy Pulse (the majority shareholder of Equator Energy)	Bowmans	not publicly disclosed	Feb 6
Investment by	University Technology Fund and Sacant Venture Fund	in CubeSpace		R47m	Feb 13
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from S Bacher	S Bacher and Company	Sanlam Corporate Finance; Tugendhaft Wapnick Banchetti; ENS	undisclosed	Feb 19
Acquisition by	PAPE SP General Partner	a stake in Balancell Energy	Cliffe Dekker Hofmeyr	undisclosed	Feb 22
Disposal by	Pepkor to Capitalworks Private Equity and TBCo management	The Building Company (BUCO)	Rand Merchant Bank; Investec Bank; Werksmans; Bowmans; Webber Wentzel	R1,2bn	Feb 29
Acquisition by	Adenia Partners, DEG, Proparco and South Suez	100% of The Courier Guy	Rand Merchant Bank; Webber Wentzel; ENS; Herbert Smith Freehils (SA); PwC; EY; Valeo Capital	undisclosed	Mar 1
Acquisition by	Astoria Investments from RECM Worldwide Opportunities Prescient QI Hedge Fund (Prescient Management Company)	388 762 Leatt Corporation shares (6,25% stake)	Questco	$5,32m	Mar 12
Acquisition by	Standard Bank	stake in Planet42		R50m	Mar 14
Acquisition by	Gaia Fund Managers	a stake in Oasis Water		undisclosed	Mar 18
Investment by	RH Managers	in Herolim Private Hospital		R135m	Mar 19
Disposal by	Nutun Investments International (Transaction Capital) to Dvo Bidco (Allegro Funds)	Nutun Australia	Investec Bank	A$50,6m	Mar 22
Disposal by	Telkom SA SOC to Towerco Bidco a consortium of equity investors (an infrastructure fund managed by Actis and a vehicle owned by Royal Bafokeng Holdings)	Swiftnet	Rothschild & Co; Rand Merchant Bank; Itai Capital; FTI Capital Advisors (DIFC); Nedbank CIB; Bowmans; Webber Wentzel; Baker McKenzie South Africa; PwC; SNG Grant Thornton; EY	R6,75bn	Mar 22
Acquisition by	African Infrastructure Investment Managers (Old Mutual) alongside Thebe and STOA from Actis	investment in Octotel and RSAweb	Red Wind Capital; Webber Wentzel; Bowmans; ENS; Deloitte	not publicly disclosed	Mar 25
Disposal by	Nampak to a consortium (RMB Corvest [FirstRand] and Dlondlobala Capital)	the liquid cartons business in South Africa, Nampak Zambia and Nampak Malawi	PSG Capital; Bowmans; Werksmans; Deloitte	R450m	Mar 26
Investment by	HAVAÍC and other investors	in RNR (Right Now Response)		R12m	Mar 26
Acquisition by	Medu IV	a majority stake in Optron	FTI Consulting; Poswa; Fluxmans; Kensington Capital	undisclosed	Mar 28
Acquisition by	Futuregrowth Asset Management (Old Mutual)	minority stake in Cubespace Satellite Systemns	Webber Wentzel; Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	Esquared	a stake in Nucleus Supply Chain Management	Cliffe Dekker Hofmeyr	undisclosed	not announced
Disposal by	Ferroglobe South Africa to a BEE Fund (managed by Palamo Fund Managers)	a stake in Ferroglobe South Africa	Pallidus Capital; Alchemy Law	not publicly disclosed	not announced
Acquisition by	Baobab Network	Reflector Marketing		undisclosed	Apr 2
Joint Venture	Next176 (Old Mutual) and SC Ventures (Standard Chartered Bank)	financial planning platform (integration of apps 22seven and Autumn)	ENS; Herbert Smith Freehills LLP	undisclosed	Apr 8

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Disposal by	Motus to Isipho Capital	Hino Pomona in Kempton Park, Gauteng		undisclosed	Apr 8
Disposal by	Enko Africa Private Equity Fund to subsidiaries of Mergence Investment Managers	its entire stake in Madison Financial Services in Zambia		undisclosed	Apr 10
Acquisition by	Kazi Capital BBGF fund	a 40% stake in Figment Holdings	Falcon & Hume	undisclosed	Apr 14
Acquisition by	Vuna Partners Fund I	40% stake in Ferreira Fresh	ENS	undisclosed	Apr 17
Acquisition by	Trustco from Riskowitz Value Fund LP	1 135 shares (11,35% stake) in Legal Shield	Vunani Sponsors; Simonis Storm Securities; J.P Galda & Co; Joos Agenback Attorney and Notary; Nexia SAB&T; W Technical Consulting	R468m	Apr 23
Acquisition by	Vuna Partners	a 30% stake in Chilleweni Cold Storage	Standard Bank	undisclosed	May 2
Acquisition by	RMB Ventures (FirstRand)	investment in Bulldog Group		undisclosed	May 6
Acquisition by	Lesaka Technologies from Apis Growth Fund I (managed by Apis Partners) African Rainbow Capital, International Finance Corporation and Adumo management	Adumo RF	Rand Merchant Bank; Fairview Partners; Werksmans; Webber Wentzel	$85,9m	May 8
Disposal by	Old Mutual Private Equity (Old Mutual) to a consortium led by Alterra Capital Partners and including Mineworkers Investment Company and Admaius Capital Partners	majority stake in Beverages HoldCo 2 (operating through Chill Beverages and Inhle Beverages)	Standard Bank; Rand Merchant Bank; Nedbank CIB; Webber Wentzel; Cliffe Dekker Hofmeyr; ENS; EY	not publicly disclosed	May 15
Acquisition by	Infra Impact Investment Managers from Lereko Metier Environmental Solutions	a majority stake in Oricol Environmental Services	PwC	undisclosed	Jun 4
Acquisition by	Admaius Capital Partners and senior management from Synerlytic Group (Infinite Partners)	The Particle Group	Bowmans; Webber Wentzel; Grayston Elliot; HWF Partners	undisclosed	Jun 11
Investment by	Acacia Inclusion (Leapfrog Investments)	in Battery Smart in India (part of a $65m Series B round)		undisclosed	Jun 11
Acquisition by	PAPE Fund 3 from Nedbank Private Equity (Nedbank)	stake in Entersekt		undisclosed	Jun 13
Investment by	Convergence Partners, Energy Entrepreneurs Growth Fund and Platform Investment Partners	in Yellow [Series B]		$14m	Jun 19
Investment by	HAVAÍC and AfricInvest	in AURA [bridge to Series B]		$1,1m	Jun 19
Acquisition by	Vuwa Capital Partners	a stake in Thusanyo Project Services		undisclosed	Jun 20
Acquisition by	Futuregrowth Asset Management via its Community Property Fund (Old Mutual)	Boitekong Mall in Rustenburg, North West province		undisclosed	Jun 24
Acquisition by	Bidvest Services (Bidvest) from Infinite Partners	Synerlytic Group (WearCheck)	Absa CIB; Baker McKenzie South Africa; Webber Wentzel; Deloitte	not publicly disclosed	not announced
Disposal by	African Infrastructure Investment Managers through IDEAS Infrastructure I GP (Old Mutual) to TRG Africa Mezzanine Partners GP	preference shares in Gigajoule Power	Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	MSC II Investments (Metier)	shares in Wetility	Standard Bank; Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	Zorros Partners	a stake in Noolababy	Deal Leaders International	undisclosed	not announced
Acquisition by	Summit Private Equity	a minority stake in LRMG	Cliffe Dekker Hofmeyr	undisclosed	not announced
Investment by	Renew Capital	Pumpkn		undisclosed	Jul 2
Acquisition by	The Bidvest Group (UK) (Bidvest) from Birch Hill Equity Partners and other investors	Citron Hygiene	Barclays UK plc; Investec Bank; Baker McKenzie South Africa; Baker & McKenzie UK; Davies Ward Phillipps & Vineberg; Stikeman Elliott; Deloitte; BDO; Niche M&A Advisory; Deloitte LLP	not publicly disclosed	Jul 3
Investment by	Sanari Capital	in Edulife Group (follow-on investment)		R80m	Jul 10
Acquisition by	Agile Capital	a stake in Berry Astrapak		undisclosed	Jul 11
Investment by	DFS Lab and DCG	in TurnStay.com		$300,000	Jul 15

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Acquisition by	Bidvest Noonan [UK] (Bidvest) from Bridges Sustainabe Growth Fund IV and other investors	Nexgen	Arrowpoint Advisory; Baker McKenzie South Africa	not publicly disclosed	Jul 17
Acquisition by	AgDevCo from Mahela and ZZ2	a non-controlling minority stake in the Skutwater avocado and citrus operations in Weipe, Limpopo	DLA Piper South Africa; Bowmans	undisclosed	Jul 31
Acquisition by	Solevo MEA B.V. from Phatisa Food Fund 2 and Masimong Chemicals	75.34% of Rolfes Holdings	Rand Merchant Bank; Bitkett Stewart McHendrie; DLA Piper South Africa; Bowmans; EY, Step Advisory	undisclosed	Aug 1
Acquisition by	MTN Nigeria (MTN) from Acxani Capital	remaining 7,17% stake in MoMo Payment Service Bank		$4,36m	Aug 2
Investment by	Factor E Ventures	in Open Access Energy [part of a $1,5m seed round]	Bowmans	$750,000	Aug 12
Acquisition by	Advent International	a majority stake in SYSPRO	Torch Partners; White & Case (SA); Webber Wentzel; White & Case	undisclosed	Aug 13
Disposal by	Nutun Business Services and Generow Investments (Transaction Capital) to Q Link (SPE Mid-Market Fund I Partnership)	Nutun Transact, Accsys and Nutun Credit Health	Deloitte Africa Corporate Finance; Investec Bank; ENS	R405m	Aug 14
Acquisition by	Old Mutual Properties (Old Mutual) from IPMFGD Developments JV	equity stake in Big Box Retail Fund (big retail warehouses leased to tenants such as Makro and Builders Warehouse)		undisclosed	Aug 14
Acquisition by	GCP 11 SPV (Growth Capital Partners II)	a stake in Artav Stainless Steel	Bowmans	undisclosed	Aug 14
Investment by	Mergence Investment Managers	in Solarise Africa	PSG Capital	R160m	Aug 20
Acquisition by	Nedbank Private Equity and Mineworkers Investment Company from MF Bhabha Family Trust	a majority stake in Tropic Plastic & Packaging	Nedbank CIB; EY Corporate Finance; Webber Wentzel; Bowmans	undisclosed	Aug 22
Acquisition by	Commercial Cold Holdings (African Infrastructure Investment Managers) [Old Mutual] from North Star Logistics and Irablox	iDube Cold Storage in KZN	ENS	undisclosed	Aug 23
Disposal by	Life Healthcare to Summit Private Equity	St Mary's Private Hospital, Mthatha	Deloitte	R300m	Aug 29
Disposal by	Burstone to Blackstone	63,15% stake in the Pan-European Logistics (PEL) platform	Merrill Lynch; Investec Bank; Standard Chartered Bank; Barclays Bank Ireland plc; Eastdil Secured; Cliffe Dekker Hofmeyr; Bowmans; Bryan Cave Leighton Paisner; Simpson Thacher & Bartlett; PwC	€250m	Sep 2
Disposal by	Takealot (Naspers) to consortium led by Blank Canvas Capital	Superbalist	Rand Merchant Bank; EY	undisclosed	Sep 3
Acquisition by	Castellana Properties SOCIMI (Vukile Property Fund) from Suitable World (Harbert European Real Estate Fund V)	80% of three property owning companies Rio Sul (Lisbon), Loureshopping (Lisbon) and 8 Avenida (Porto) held in NewCo	Java Capital	€141,2m	Sep 9
Acquisition by	Ocean SPV (Myriad Capital) and Ocean on 76 Telco and Infrastructure Services from Shalamuka Capital 2	a majority stake in Radio Network Solutions (RNS)	Werksmans	undisclosed	Sep 12
Acquisition by	Metier Sustainable Capital Fund II	a stake in Mertech Marine	Benchmark International; Cliffe Dekker Hofmeyr	not publicly disclosed	Sep 16
Disposal by	Kibo Energy to Aria Capital Management	Kibo Mining (Cyprus)	River Group	undisclosed	Sep 19
Investment by	Tlcom Capital and Flourish Ventures	in Littlefish		undisclosed	Sep 29
Disposal by	Corvest 6 [FirstRand] to JBSA Props	50% stake in R and A Administration of Property	Cliffe Dekker Hofmeyr	undisclosed	not announced
Acquisition by	Zungu Investments	a significant stake in Intasol Tailings, Intasol Tailings Chile and Intasol Tailings Brazil	Nolands Capital	not publicly disclosed	not announced
Disposal by	Kibo Energy to RiverFort Global Opportunities PLC	remaining 19,52% interest in Mast Energy Developments PLC	River Group	£120 074	Oct 1
Disposal by	African Dawn Capital to EXG Partners (Piercore Group)	50% stake in Elite	PSG Capital	R5m	Oct 1
Investment by	E4EAfrica, Jonathan Smit, Jozi Angels and an SPV arranged by Utopia Capital Management	in TUNL [seed round]		undisclosed	Oct 2
Disposal by	Castellana Properties SOCIMI S.A. (Vukile Property Fund) to a Consortium (Hines European Real Estate Partners III and a vehicle controlled by Grupo Lar Inversiones Inmobiliarias)	28,8% stake (24 090 411 shares) in Lar España Real Estate	Java Capital; IJG Securities; Linklaters	€200m	Oct 3

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Investment by	54 Collective, First Circle, Sunny Side Venture Partners and some angel investors	in Scale [pre-seed fundiung]		$700,000	Oct 3
Acquisition by	Capital Growth Fund III (Metier)	a stake in Blinkwater Meule	Deloitte Corporate Finance; Cliffe Dekker Hofmeyr	undisclosed	Oct 7
Acquisition by	Rifuwo Energy Partners	a stake in Grid Africa		R50m	Oct 15
Disposal by	AECI to Old Mutual Private Equity's OMPE VI (Old Mutual) and Sphere Investments	Much Asphalt	Investec Bank; Rand Merchant Bank; ENS; Cliffe Dekker Hofmeyr; Kensington Capital; EY	R1,1bn	Nov 1
Disposal by	African Infrastructure Investment Managers (Old Mutual) to Gaia Fund Managers	12,67% stake in Bakwena Platinum Corridor Concession	ENS	undisclosed	Nov 6
Acquisition by	Old Mutual Properties (Old Mutual) from S Giuricich	investment into Big Box Retail Fund	Investec Bank; Cliffe Dekker Hofmeyr	undisclosed	Nov 6
Disposal by	Ninety-One Africa Private Equity Fund 2 GP (Ninety-One Ltd) to management-led consortium	Growth Ten - holding company of Richfield and AAA School of Advertising	Rand Merchant Bank; Webber Wentzel; Cliffe Dekker Hofmeyr	not publicly disclosed	Nov 8
Disposal by	Stor-Age Property REIT to Moorfield	9.9% stake in the Acton development		£1,3m	Nov 11
Investment by	Sanari Capital	in Energenic	ENS; EY	R87,5m	Nov 12
Acquisition by	Old Mutual Rental Housing Investment Fund Two (Old Mutual)	residential properties Stepney Green in Lotus Gardens, Pretoria and Little Manhattan in Parklands, Cape Town	Bowmans	undisclosed	Nov 14
Acquisition by	Infinite Partners and the PIC	a stake in Evolution Tel, Linklayer, Magnolia Tree Fibre and Net99	Rand Merchant Bank; Baker McKenzie South Africa; Chris Boulle; EY; Deloitte	undisclosed	Nov 21
Acquisition by	Harith InfraCo (Harith General Partners, Zungu Investments, Mergence Investment Managers, DBSA and GEPF)	energy, transport and digital assets of Pan African Infrastructure Development Fund (PAIDF I) including Anergi Holdings, Community Investment Ventures and Lanseria International Airport	PSG Capital; White & Case (SA); KPMG; Nolands Capital	R6,5bn	Nov 22
Disposal by	Old Mutual Private Equity (Old Mutual) and management to Frasers Group	Holdsport Group	Nedbank CIB; Investec Bank; Cliffe Dekker Hofmeyr; Andersen in South Africa; Fairbridges Wertheim Becker & RPC (UK); Nortons Inc.; EY	undisclosed	Nov 26
Investment by	Salt Capital	in Pirtek Africa	Webber Wentzel	undisclosed	Dec 2
Disposal by	Bluefin Investments (Super Group) to (Westmann Bidco) Pacific Equity Partners	53,58% stake in SG Fleet	Investec Bank; Fluxmans; KPMG	A$641,4m	Dec 4
Acquisition by	Old Mutual Rental Housing Investment Fund Two (Old Mutual)	Summerstrand Student Village, Marine Drive in Gqeberha		undisclosed	Dec 5
Acquisition by	Ascension Private Equity Fund I	an additional 59% stake in Credit Profile Bureau [total stake now 85%]	Pallidus Capital; Lumen Legal; Werksmans	not publicly disclosed	Dec 5
Investment by	Nu Holdings (Nubank), M&G Catalyst Fund and existing investors	in Tyme Group [Series D]	Rothschild & Co; Avista Advisory Partners; Ekta Partners; Webber Wentzel; Deloitte	$250m	Dec 16
Acquisition by	Futuregrowth Asset Management via its High Growth Develoopment Equity Fund (Old Mutual)	investment into Sourcefin	Cliffe Dekker Hofmeyr	R150m	Dec 17
Disposal by	African Infrastructure Investment Managers through IDEAS Infrastructure I GP (Old Mutual) to Sturdee Energy Partners	its 50% shareholding in IL Energy Development	Cliffe Dekker Hofmeyr	undisclosed	not announced
Disposal by	African Infrastructure Investment Managers through IDEAS Infrastructure I GP (Old Mutual) to Swedfund and the Investment Fund for Developing Countries	33,3% shareholding in Sturdee Holdings	Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	Old Mutual Rental Housing Investment Fund Two (Old Mutual)	shares in Triple Neighbour	Cliffe Dekker Hofmeyr	undisclosed	not announced
Acquisition by	Futuregrowth Asset Management (Old Mutual)	minority stake in WCB Property Development	Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	Growth Capital Partners	a stake in Terracor	Deal Leaders International	undisclosed	not announced
Acquisition by	Yellowbay and Purple Quay (alongside Futuregrowth Asset Management)	a stake in Cubespace Satellite Systems	Webber Wentzel; Cliffe Dekker Hofmeyr	not publicly disclosed	not announced