DealMakers®

Volume 25: No. 3

SOUTH AFRICA'S CORPORATE FINANCE MAGAZINE

3rd Quarter 2024 M&A Rankings plus all Corporate Finance Transactions

incorporating **Catalyst** magazine

25 YEARS

ANSARADA

Hear from the Top Dealmakers in South and Sub-Saharan Africa

As companies and the men and women who lead them continue to be buffeted by uncertainty around the timing of the global interest rate cycle, the art and science of dealmaking demand constant adaptation, creativity, and meticulous planning. The dynamic nature of mergers and acquisitions (M&A) in South and Sub-Saharan Africa presents unique challenges and opportunities.

Through insightful conversations with some of the region's leading dealmakers, we have distilled four key takeaways that illuminate the current state and future direction of M&A activity.

Ansrada bringing order to total transaction management.

Confidently control the outcome from the outset in M&A, divestments, capital raising, restructures and more.

01

Creativity in deal structures

02

Importance of thorough due diligence

03

Impact of macroeconomic factors and regulatory environment

04

Sector-specific opportunities and resilience

Johan Holtzhausen
Chairman
PSG Capital

Shabbir Norath
Head Advisory
Nedbank Corporate Finance

Mark Beyers
Principal
Nedbank Corporate Finance

Krishna Nagar
Head of Corporate Finance
Rand Merchant Bank

Marc Ackermann
Head of Advisory, Investec

Ruven Naidoo
Head of M&A, Investec

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Head of Deals Advisory
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Alchemy Law

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Lydia Shadrach-Razzino
Partner & Head M&A
Baker McKenzie

John Bellew
Head of Private Equity
Bowmans

Editor's Note

MARYLOU GREIG

Mergers and acquisitions (M&A) activity in South Africa was subdued during the first six months of 2024, influenced by a combination of domestic economic and political challenges, and global market trends. This impacted deal valuations and financing conditions, making M&A more complex to execute.

While certain sectors have showed resilience and strategic focus, there was a noticeable recovery in announced M&A during Q3, on the back of optimism ignited by the emergence of favourable domestic and international trends.

During Q3, 93 deals – executed by primary and secondary SA exchange-listed companies – were recorded by Deal**Makers** (valued at R216,85bn), of which 80 deals (with a value of R98,9bn) were executed by companies with a primary listing. For the period Q1 - Q3 2024, a total of 204 deals were recorded – valued at R198,1bn – against 217 deals valued at R120bn during the same period in 2023 (page 6). Analysis of the deals' target sectors shows that M&A activity in the real estate sector remains buoyant, accounting for 32% of deal activity, followed by resources (10%) and retail and general industrials, both at 8% (pg 10).

Of the top 10 deals by value for the year to end September 2024, the Canal+ buyout of MultiChoice minority shareholders remains the largest, with a price tag of R35bn (pg 8). South Africa has well-established regulations for M&A, but the uncertainty surrounding government policy and business reforms has sometimes deterred investment.

Private equity (PE) firms have remained active, although their strategies have shifted toward more selective investments and value-creation opportunities. The challenging economic environment has encouraged PE players to focus on portfolio optimisation and exits, while scouting for opportunities in resilient sectors like fintech, healthcare and logistics.

And South Africa has continued to attract cross-border M&A, with investors from Europe, the Middle East and Asia showing interest (pg 10). These deals have often targeted companies that can provide access to broader African markets, benefiting from South Africa's established infrastructure and financial systems.

This issue contains a number of interesting reads – from how to bridge the valuation gap in public M&A, to how to navigate seller risk in share-for-share transactions; to understanding Statement 102 within SA's B-BBEE framework.

It is that time of the year again when SA enters its 'silly' season, and when Deal**Makers** shifts its energies to the up-and-coming Ansarada Deal**Makers** Annual Awards. Nominations for the subjective awards are now open, and will close on 22 November. I would like to take this opportunity to extend my gratitude to Phuthi Mahanyele-Dabengwa, Nicky Newton-King and James Formby (who constitute the Independent Panel) for, once again, agreeing to undertake the difficult task of selecting the winners for 2024. The event, to be held on 18 February 2025, will be a special one for Deal**Makers**, as we are set to mark 25 years of engaging with and championing this industry's players.

The team at Deal**Makers** wishes you all a safe and restful break over the festive season. Enjoy the downtime with family and friends, and we hope to see you all in February. ■

CONTENTS

Catalyst – the Private Equity and Venture Capital magazine

Gleason Publications

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THE OVAL TABLE

Membership of the Oval Table, which is by invitation only, comprises seven of the corporate finance players and five corporate law firms; membership is held on a one-year cycle.

Representatives of the firms make up DealMakers' Editorial Advisory Board which meets half yearly.

Baker McKenzie. BDO BOWMANS THE VALUE OF KNOWING CDH ENS EY Shape the future with confidence

Investec CIB PSG CAPITAL RMB Standard Bank WEBBER WENTZEL in alliance with Linklaters

MERGERS & ACQUISITIONS ANALYSIS Q1 - Q3 2024 (excludes unlisted M&A)

	Q3 2024			Q1 - Q3 2024			Q1 - Q3 2023			Q1 - Q3 2022		
DEAL ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Local Deals	80	(2)	98 941	204	(5)	198 135	217	(8)	120 164	250	(15)	358 407
Foreign Deals	13	(0)	117 911	25	(1)	270 596	26	(1)	223 648	44	(2)	131 539
Total	93	(2)	216 852	229	(6)	468 731	243	(9)	343 812	294	(17)	489 946

DEAL ACTIVITY (excluding failed deals)	**No.**	**Value R´m**	**No.**	**Value R´m**	**No.**	**Value R´m**	**No.**	**Value R´m**
Local Deals	78	98 178	199	197 225	209	119 748	235	231 097
Foreign Deals	13	117 911	24	147 750	25	222 845	42	106 639
Total	91	216 089	223	344 975	234	342 593	277	337 736

BEE AND PRIVATE EQUITY ACTIVITY Q1 - Q3 2024 (includes listed and unlisted M&A)

	Q3 2024			Q1 - Q3 2024			Q1 - Q3 2023			Q1 - Q3 2022		
BEE ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Listed M&A	2	(0)	6 421	5	(0)	13 171	7	(0)	20 830	13	(0)	25 069
Unlisted M&A	1	(0)	undisclosed	7	(0)	undisclosed	11	(0)	4 527	10	(0)	647
Total	3	(0)	6 421	12	(0)	13 171	18	(0)	25 357	23	(0)	25 716

	Q3 2024			Q1 - Q3 2024			Q1 - Q3 2023			Q1 - Q3 2022		
PE ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Listed M&A	11	(0)	8 496	31	(0)	31 545	27	(0)	9 789	32	(3)	32 339
Unlisted M&A	12	(0)	259	38	(0)	2 909	57	(0)	13 382	83	(0)	89 671
Total	23	(0)	8 755	69	(0)	34 454	84	(0)	23 171	115	(3)	122 010

* No of failed deals

BIGGEST DEALS Q1 - Q3 2024

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R'M
Acquisition by ■	Mondi plc	DS Smith	£5,14bn	Mar 8	122 846
Acquisition by ■	Anglogold Ashanti from Centamin plc shareholders	Centamin	$2,5bn	Sep 10	44 500
Acquisition by ■	BHP Investments Canada (BHP)	50% stake in Filo Corp (owner of Filo del Sol copper project)	$2,05bn	Jul 30	37 515
Acquisition by	Canal+ from MultiChoice minority shareholders	remaining 63,4% stake in MultiChoice	R35bn	Mar 5	35 052
Acquisition by	Gold Fields from Osisko Mining shareholders	Osisko Mining	C$2,16bn	Aug 12	28 512
Disposal by ■	South32 to Golden Energy and Resources pte and M Resources	Illawarra Metallurgical Coal	$1,05bn	Feb 29	20 160
Acquisition by	Rand Merchant Bank (FirstRand) from HSBC	HSBC South Africa	R17,24bn	Sep 26	17 241
Disposal by ■	Hammerson plc to Silver Bidco (L Catterton)	42% stake in Value Retail Group	€705m	Jul 22	13 959
Reverse takeover ■	Kibo Energy by ESGTI AG	diverse portfolio of renewable energy projects across Europe and Africa	€400m	Sep 16	7 840
Acquisition by	NEPI Rockcastle from Union Investment Real Estate GmbH	Kasama Investments which owns Magnolia Park in Wroclaw, Poland	€373m	Sep 27	7 124

■ Foreign Deal – not included for ranking purposes (unless local adviser's role verified)

— Failed deal – excluded for ranking purposes

BIGGEST BEE DEALS Q1 - Q3 2024

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R'M
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	R6,75bn	Mar 22	6 750
Disposal by	MTN to MTN Zakhele Futhi consisting of black individuals and groups	4% stake in MTN	R6,4bn	Aug 19	6 400
Disposal by	Altron TMT (Altron) to 'Ascent' an ICT skills focused education trust (qualifying employees' relatives and other stakeholders)	20% stake in Altron TMT	R21m	Jul 12	21

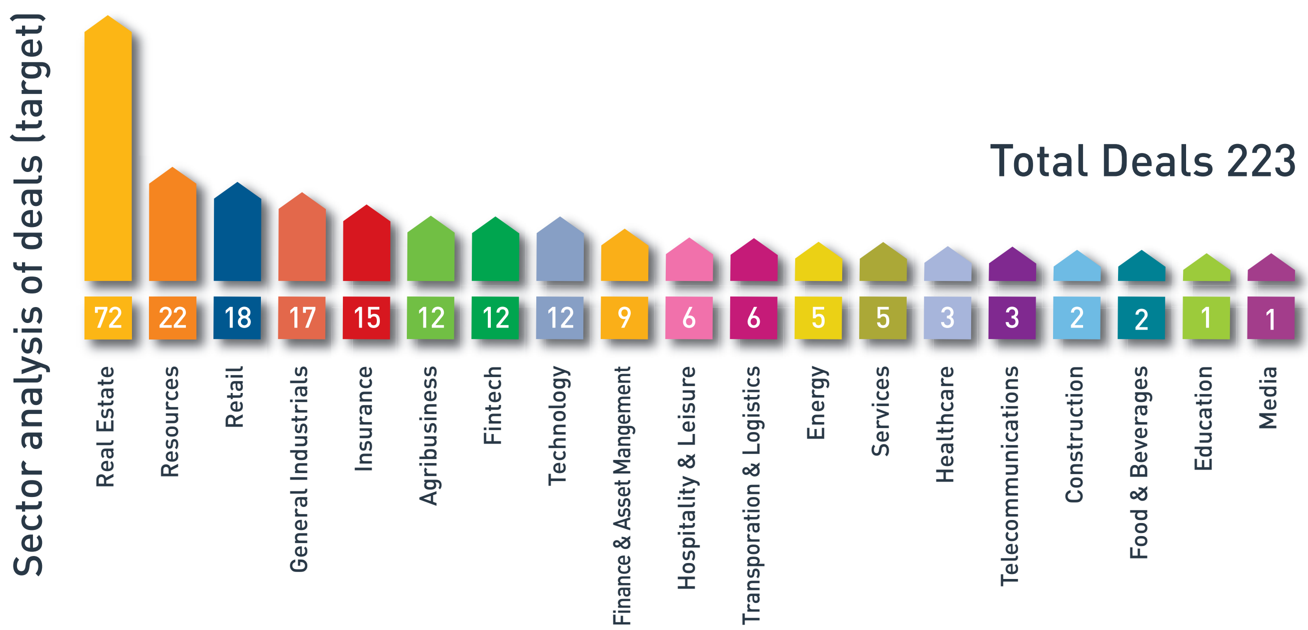
* 30% stake by Royal Bafokeng Holdings

M&A Q1 - Q3 2024 IN NUMBERS

Sourced from DealMakers online

Of the 223 deals recorded in Q1-Q3 of 2024, SA-domiciled exchange-listed companies were involved in 45 cross border transactions

Africa	Asia	Australia	Canada	Europe	Middle East	UK	US
16 deals	2 deal	2 deals	1 deal	8 deals	1 deal	11 deals	4 deals
5 acquisitions 11 disposals	1 acquisition 1 disposal	1 acquisition 1 disposal	1 acquisition	4 acquisitions 4 disposals	1 disposal	7 acquisitions 4 disposals	4 acquisitions
• Insurance 5 • Real Esate 3 • General Industrials 2 • Retail 1 • Logistics 1 • Fintech 1 • Hospitality & Leisure 1 • Telecom-munications 1 • Financial Services 1	• Insurance 1 • Technology 1	• Real Estate 1 • Financial & Investment Services 1	• Resources 1	• Real Estate 5 • Technology 1 • Retail 1 • General Industrials 1	• Energy 1	• Retail 4 • General Industrials 2 • Real Estate 2 • Technology 1 • Services 1 • Media 1	• Insurance 1 • Financial Services 1 • General Industrials 1 • Real Estate1



Deals look by value category•

Size of transaction	Q1 - Q3 2024 No. of deals	Q1 - Q3 2024 Value Rm	Q1 - Q3 2023 No. of deals	Q1 - Q3 2023 Value Rm	Q1 - Q3 2022 No. of deals	Q1 - Q3 2022 Value Rm
> R5bn	14	243 424	13	276 404	12	213 081
> R1bn	34	75 304	19	36 187	38	91 864
> R500m	12	9 428	23	15 261	19	13 579
> R200m	33	10 817	28	8 688	35	11 184
>R50m	47	4 998	49	4 825	61	6 855
>R20m	23	820	30	973	23	819
< 20m	20	184	30	255	42	354
Total no. of transactions	183	344 975	192	342 593	230	337 736
Total without value	40		42		47	
Grand total	223	344 975	234	342 593	277	337 736

• excludes failed deals

Joe Public 35784
CIB
40 B
38 B
36 B
34 B
32 B
2024
2026
2028
2030
2032
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RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	J.P. Morgan	46 924	14,14%
2	Rand Merchant Bank	46 887	14,13%
3	Goldman Sachs	44 500	13,41%
4	Merrill Lynch	41 187	12,41%
5	Citigroup Global Markets	35 052	10,56%
	Morgan Stanley	35 052	10,56%
7	Standard Bank	17 090	5,15%
8	Investec Bank	14 559	4,39%
9	River Group	7 840	2,36%
10	Rothschild & Co	6 954	2,10%
11	Itai Capital	6 750	2,03%
12	Tamela	6 400	1,93%
13	Java Capital	6 101	1,84%
14	Standard Chartered Bank	4 925	1,48%
15	Nedbank CIB	3 565	1,07%
16	PSG Capital	2 554	0,77%
17	Fairview Partners	1 590	0,48%
18	Marsden Advisory	1 200	0,36%
19	Valeo Capital	1 100	0,33%
20	Absa CIB	793	0,24%
21	AcaciaCap Advisors	381	0,11%
22	Birkett Stewart McHendrie	180	0,05%
23	Bravura Capital	109	0,03%
24	Questco	100	0,03%
25	Pallidus Capital	21	0,01%
26	Macquarie Advisory and Capital Markets South Africa	undisclosed	n/a
	PwC Corporate Finance	undisclosed	n/a

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Rand Merchant Bank	14	18,92%	46 887
2	PSG Capital	12	16,22%	2 554
3	Standard Bank	7	9,46%	17 090
4	Investec Bank	5	6,76%	14 559
5	J.P. Morgan	3	4,05%	46 924
	Merrill Lynch	3	4,05%	41 187
	Rothschild & Co	3	4,05%	6 954
	Java Capital	3	4,05%	6 101
	Nedbank CIB	3	4,05%	3 565
10	River Group	2	2,70%	7 840
	Marsden Advisory	2	2,70%	1 200
	Absa CIB	2	2,70%	793
13	Goldman Sachs	1	1,35%	44 500
	Citigroup Global Markets	1	1,35%	35 052
	Morgan Stanley	1	1,35%	35 052
	Tamela	1	1,35%	6 400
	Standard Chartered Bank	1	1,35%	4 925
	Itai Capital	1	1,35%	6 750
	Fairview Partners	1	1,35%	1 590
	Valeo Capital	1	1,35%	1 100
	AcaciaCap Advisors	1	1,35%	381
	Birkett Stewart McHendrie	1	1,35%	180
	Bravura Capital	1	1,35%	109
	Questco	1	1,35%	100
	Pallidus Capital	1	1,35%	21
	Macquarie Advisory and Capital Markets South Africa	1	1,35%	undisclosed
	PwC Corporate Finance	1	1,35%	undisclosed

SPONSORS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	J.P. Morgan	76 187	23,14%
2	Standard Bank	68 973	20,94%
3	Rand Merchant Bank	67 616	20,53%
4	Java Capital	33 201	10,08%
5	Investec Bank	21 135	6,42%
6	Nedbank CIB	11 508	3,49%
7	Tamela	10 160	3,09%
8	River Group	7 840	2,38%
9	PSG Capital	7 219	2,19%
10	Pallidus Capital	6 592	2,00%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	PSG Capital	21	16,03%	7 219
2	Java Capital	18	13,74%	33 201
3	Questco	14	10,69%	3 839
4	Standard Bank	12	9,16%	68 973
	Rand Merchant Bank	12	9,16%	67 616
6	Investec Bank	11	8,40%	21 135
7	Nedbank CIB	7	5,34%	11 508
8	AcaciaCap Advisors	6	4,58%	190
9	J.P. Morgan	4	3,05%	76 187
	One Capital	4	3,05%	2 245

* Investment Advisers incorporate Financial Advisers and others claiming this category

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

SPONSORS (Continued)

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
11	Merrill Lynch	6 515	1,98%
12	Deloitte	3 905	1,19%
13	Questco	3 839	1,17%
14	One Capital	2 245	0,68%
15	Valeo Capital	1 100	0,33%
16	Vunani Sponsors	547	0,17%
17	BSM Sponsors	336	0,10%
18	AcaciaCap Advisors	190	0,06%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
11	Pallidus Capital	3	2,29%	6 592
	Merrill Lynch	3	2,29%	6 515
13	Tamela	2	1,53%	10 160
	River Group	2	1,53%	7 840
	Vunani Sponsors	2	1,53%	547
	BSM Sponsors	2	1,53%	336
	African Bank	2	1,53%	55
	Merchantec Capital	2	1,53%	38

LEGAL ADVISERS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	Webber Wentzel	117 200	30,52%
2	Bowmans	70 300	18,31%
3	DLA Piper South Africa	54 040	14,07%
4	Werksmans	39 265	10,23%
5	Herbert Smith Freehills South Africa	36 132	9,41%
6	ENS	18 268	4,76%
7	Norton Rose Fulbright	17 241	4,49%
8	Cliffe Dekker Hofmeyr	15 190	3,96%
9	Baker McKenzie South Africa	9 126	2,38%
10	Allen & Overy (South Africa)	2 430	0,63%
11	White & Case (SA)	1 626	0,42%
12	Fasken	921	0,24%
13	Vani Chetty Competition Law	760	0,20%
14	Bernadt Vukic Potash & Getz	642	0,17%
15	Falcon & Hume	286	0,07%
16	DM5 Attorneys	200	0,05%
	MVR Attorneys	200	0,05%
18	Brian Frank	109	0,03%
19	Fluxmans	60	0,02%
20	CMS	undisclosed	n/a
	Tugendhaft Wapnick Banchetti	undisclosed	n/a

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Webber Wentzel	22	18,49%	117 200
2	Cliffe Dekker Hofmeyr	19	15,97%	15 190
3	ENS	18	15,13%	18 268
4	Bowmans	15	12,61%	70 300
5	Werksmans	11	9,24%	39 265
6	DLA Piper South Africa	6	5,04%	54 040
7	Baker McKenzie South Africa	5	4,20%	9 126
	White & Case (SA)	5	4,20%	1 626
9	Herbert Smith Freehills South Africa	3	2,52%	36 132
	Bernadt Vukic Potash & Getz	3	2,52%	642
11	Vani Chetty Competition Law	2	1,68%	760
12	Norton Rose Fulbright	1	0,84%	17 241
	Allen & Overy (South Africa)	1	0,84%	2 430
	Fasken	1	0,84%	921
	Falcon & Hume	1	0,84%	286
	DM5 Attorneys	1	0,84%	200
	MVR Attorneys	1	0,84%	200
	Brian Frank	1	0,84%	109
	Fluxmans	1	0,84%	60
	CMS	1	0,84%	undisclosed
	Tugendhaft Wapnick Banchetti	1	0,84%	undisclosed

TRANSACTIONAL SUPPORT SERVICES

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	Standard Bank	35 052	37,67%
2	Deloitte	17 102	18,38%
3	PwC	15 736	16,91%
4	SNG Grant Thornton	6 750	7,25%
5	Oxford Partners	6 571	7,06%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Deloitte	9	25,71%	17 102
2	BDO	8	22,86%	3 201
3	PwC	5	14,29%	15 736
4	EY	3	8,57%	5 518
5	Exchange Sponsors	2	5,71%	91

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R´m	Market Share %
1	Morgan Stanley	108 625	32,22%
2	Goldman Sachs	105 921	31,42%
3	Rand Merchant Bank	25 048	7,43%
4	PSG Capital	20 246	6,01%
5	Java Capital	19 633	5,82%
6	J.P. Morgan	16 792	4,98%
7	Investec Bank	14 843	4,40%
8	Pallidus Capital	9 260	2,75%
9	Standard Bank	5 500	1,63%
10	Merrill Lynch	4 492	1,33%
11	Absa CIB	4 000	1,19%
12	Valeo Capital	1 107	0,33%
13	Nedbank CIB	858	0,25%
14	AcaciaCap Advisors	382	0,11%
15	Bravura Capital	200	0,06%
16	Questco	101	0,03%
17	River Group	83	0,02%
18	Easy Equities	18	0,01%
19	Regarding Capital Management	5	n/a

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R´m
1	PSG Capital	14	16,28%	20 246
2	Java Capital	10	11,63%	19 633
3	Rand Merchant Bank	9	10,47%	25 048
4	Morgan Stanley	8	9,30%	108 625
	Investec Bank	8	9,30%	14 843
6	Goldman Sachs	7	8,14%	105 921
7	River Group	5	5,81%	83
8	Valeo Capital	4	4,65%	1 107
	Nedbank CIB	4	4,65%	858
10	J.P. Morgan	3	3,49%	16 792
	Standard Bank	3	3,49%	5 500
12	Pallidus Capital	2	2,33%	9 260
	AcaciaCap Advisors	2	2,33%	382
	Questco	2	2,33%	101
15	Merrill Lynch	1	1,16%	4 492
	Absa CIB	1	1,16%	4 000
	Bravura Capital	1	1,16%	200
	Easy Equities	1	1,16%	18
	Regarding Capital Management	1	1,16%	5

SPONSORS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R´m	Market Share %
1	Investec Bank	112 338	39,50%
2	Rand Merchant Bank	36 237	12,74%
3	PSG Capital	25 742	9,05%
4	Java Capital	25 676	9,03%
5	Questco	16 755	5,89%
6	J.P. Morgan	14 679	5,16%
7	Merrill Lynch	13 674	4,81%
8	Standard Bank	12 057	4,24%
9	Pallidus Capital	9 395	3,30%
10	Absa CIB	3 870	1,36%
11	Tamela	3 755	1,32%
12	Vunani Sponsors	3 494	1,23%
13	Nedbank CIB	2 116	0,74%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R´m
1	PSG Capital	29	16,86%	25 742
2	Investec Bank	20	11,63%	112 338
3	Java Capital	17	9,88%	25 676
4	Rand Merchant Bank	15	8,72%	36 237
5	Questco	13	7,56%	16 755
6	Merchantec Capital	11	6,40%	469
7	Nedbank CIB	9	5,23%	2 116
8	Standard Bank	7	4,07%	12 057
	Valeo Capital	7	4,07%	1 669
10	River Group	6	3,49%	91
11	Tamela	5	2,91%	3 755
	Vunani Sponsors	5	2,91%	3 494
	AcaciaCap Advisors	5	2,91%	644

* Investment Advisers incorporate Financial Advisers and others claiming this category

GENERAL CORPORATE FINANCE Q1 - Q3 2024

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

RANKINGS BY TRANSACTION VALUE

SPONSORS (Continued)

No	Company	Transaction Values R ´m	Market Share %
14	Valeo Capital	1 669	0,59%
15	African Bank	923	0,32%
16	AcaciaCap Advisors	644	0,23%
17	Merchantec Capital	469	0,17%
18	BSM Sponsors	236	0,08%
19	Bridge Capital	228	0,08%
20	Bravura Capital	200	0,07%
21	River Group	91	0,03%
22	DEA-RU	78	0,03%
23	Exchange Sponsors	71	0,02%
24	One Capital	undisclosed	n/a

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
14	Merrill Lynch	4	2,33%	13 674
15	J.P. Morgan	3	1,74%	14 679
	Pallidus Capital	3	1,74%	9 395
17	Absa CIB	2	1,16%	3 870
	African Bank	2	1,16%	923
	BSM Sponsors	2	1,16%	236
	Bridge Capital	2	1,16%	228
	DEA-RU	2	1,16%	78
22	Bravura Capital	1	0,58%	200
	Exchange Sponsors	1	0,58%	71
	One Capital	1	0,58%	undisclosed

LEGAL ADVISERS

No	Company	Transaction Values R ´m	Market Share %
1	**Webber Wentzel**	**149 535**	**57,75%**
2	ENS	35 321	13,64%
3	Werksmans	24 588	9,50%
4	Bowmans	16 603	6,41%
5	DLA Piper South Africa	16 026	6,19%
6	Cliffe Dekker Hofmeyr	14 214	5,49%
7	Norton Rose Fulbright South Africa	860	0,33%
8	Bernadt Vukic Potash & Getz	762	0,29%
9	White & Case (SA)	648	0,25%
10	Falcon & Hume	231	0,09%
11	Poswa	108	0,04%
12	RDKM Advisory	18	0,01%

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
1	**Webber Wentzel**	**13**	**21,67%**	**149 535**
2	ENS	9	15,00%	35 321
	Werksmans	9	15,00%	24 588
	Cliffe Dekker Hofmeyr	9	15,00%	14 214
5	Bowmans	7	11,67%	16 603
6	DLA Piper South Africa	6	10,00%	16 026
7	White & Case (SA)	2	3,33%	648
8	Norton Rose Fulbright South Africa	1	1,67%	860
	Bernadt Vukic Potash & Getz	1	1,67%	762
	Falcon & Hume	1	1,67%	231
	Poswa	1	1,67%	108
	RDKM Advisory	1	1,67%	18

TRANSACTIONAL SUPPORT SERVICES

No	Company	Transaction Values R ´m	Market Share %
1	**Deloitte**	**26 169**	**31,08%**
2	EY	24 562	29,17%
3	PwC	16 699	19,83%
4	BDO	15 433	18,33%
5	Questco	1 100	1,31%
6	Moore	121	0,14%
7	Nexia SAB&T	78	0,09%
8	Mazars	43	0,05%

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
1	**BDO**	**7**	**24,14%**	**15 433**
2	Deloitte	6	20,69%	26 169
3	PwC	5	17,24%	16 699
4	EY	4	13,79%	24 562
5	Moore	3	10,34%	121
6	Nexia SAB&T	2	6,90%	78
7	Questco	1	3,45%	1 100
	Mazars	1	3,45%	43

GENERAL CORPORATE FINANCE ANALYSIS Q1 - Q3 2024

	Q3 2024		Q1 - Q3 2024		Q1 - Q3 2023		Q1 - Q3 2022	
	No	Value R´m	No	Value R´m	No	Value R´m	No	Value R´m
Share Issues	28	21 734	61	43 170	48	230 120	51	27 436
Share Repurchases	26	45 467	86	149 875	97	261 776	79	159 013
Restructurings		none	1	129	2	919 718		none
Unbundlings	6	3 630	21	29 512	16	35 954	35	454 032
Open Market Transactions	5	10 268	18	94 850	12	91 780	11	90 873
Off Market Transactions	3	188	14	8 575	10	9 144	13	4 511
SA Exchange Listings		none	9	23 161	65	12 547	21	7 311
Total	**68**	**81 287**	**210**	**349 272**	**250**	**1 561 039**	**210**	**743 176**

BIGGEST TRANSACTIONS Q1 - Q3 2024

NATURE TRANSACTION	COMPANY	DETAILS	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R´M
Open Market Disposal	British American Tobacco	436 851 457 (c.3,5% stake) in ITC	£1,5bn	Mar 13	35 700
General Repurchase	Prosus	54 089 254 shares at an ave €27,49 per share	€1,49bn	over 1st quarter	30 456
Open Market Disposal	Prosus	34 057 900 Tencent shares	$1,54bn	Jun 25	27 874
General Repurchase	Prosus	41 798 511 shares at an ave €32,81 per share	€1,37bn	over 3rd quarter	27 031
General Repurchase	Naspers	3 713 613 shares at an ave R3 642 per share	R13,6bn	over 2nd quarter	13 570
General Repurchase	Naspers	4 077 029 shares at an ave R3 130 per share	R12,7bn	over 1st quarter	12 773
General Repurchase	Anheuser-Busch InBev	8 828 561 shares at an ave €57,95 per share	€594,9m	over 1st quarter	12 197
General Repurchase	Naspers	3 307 724 shares at an ave R3 566 per share	R11,77bn	over 3rd quarter	11 774
JSE Listing (Secondary)	Powerfleet	107 923 479 shares at R99,77 per share	R10,77bn	Mar 26	10 768
Specific Issue	Sibanye Stillwater	374 055 500 shares at $1,34/R24,58 per share	R9,19bn	Apr 26	9 194

Q1 - Q3 2024 IN NUMBERS

Sourced from DealMakers online

Company Listings Analysis 2017 - 2024*

* excludes convertible bonds, preference shares and other instruments

	Q1-Q3 2024	2023	2022	2021	2020	2019	2018	2017
JSE	4	4	5	8	5	5	12	21
A2X	5	64	18	8	8	11	10	5
CTSE	-	4	5	2	3	0	2	3
EESE	-	1	2	1	0	0	3	1
Total	9	73	30	19	16	16	27	30

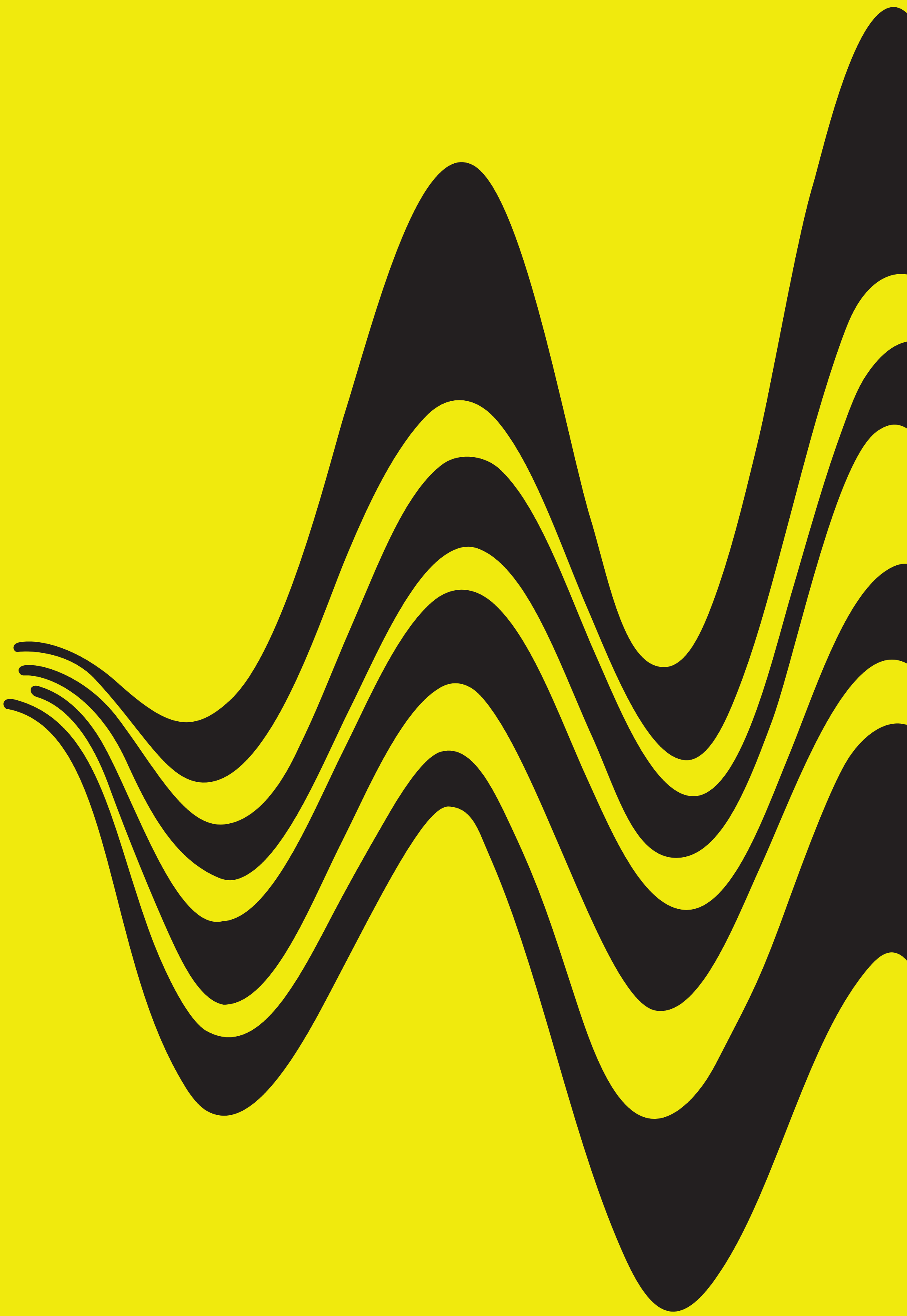
Q3 Profit Warnings Sector Analysis

Company Delistings Analysis 2017 - 2024*•

* excludes convertible bonds, preference shares and other instruments

• across all SA exchanges

	2024	2023	2022	2021	2020	2019	2018	2017
Q1	2	3	12	11	4	10	8	5
Q3	7	10	6	4	8	5	5	5
Q3	7	8	6	7	4	6	5	18
Q4	-	6	3	4	5	5	0	5
Total	16	27	27	26	21	26	18	33



BIG IDEAS
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ORIGINAL THINKING

MAKE NEW CONNECTIONS & EXPAND YOUR NETWORKS

DealMakers PATHFINDERS
a platinum networking event

Event held on 30 October 2024
Sponsored by: WEBBER WENTZEL in alliance with Linklaters

This was the 7th DealMakers PATHFINDERS Networking Event. This platinum networking event serves as a platform for young M&A professionals to make new connections, expand their networks and gain valuable exposure.





LOOK OUT FOR DETAILS OF OUR NEXT DEALMAKERS PATHFINDERS EVENT

www.dealmakerssouthafrica.com

Our third DealMakers PATHFINDERS for 2024 was held in Cape Town. Special thanks to our great hosts for the night, Webber Wentzel and to the guest speaker Webster Chiondegwa

Our Guest speaker was Webster Chiondegwa - Senior Transactor: M&A (Corporate Finance) | Sanlam

Webster Chiondegwa is a Senior Transactor: M&A (Corporate Finance) at Sanlam Limited with a career spanning over 13 years in strategy, business development and management across the financial services sector.

He brings insights into local and cross boarder M&A transactions across the financial services sector and has been instrumental in driving significant corporate growth and transformation deals while at Sanlam, having worked on deals in SA, Africa, UK, the Middle East, SE Asia and India. Webster is a qualified Chartered Accountant (SA).

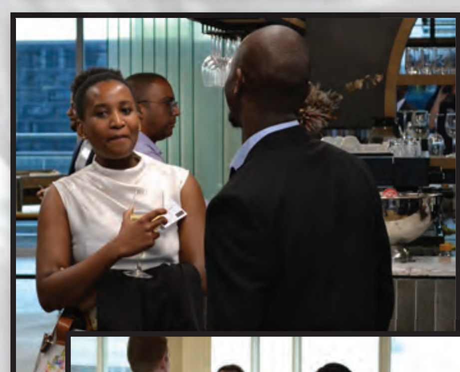







MAKE NEW CONNECTIONS & EXPAND YOUR NETWORKS







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OUR NEXT DEALMAKERS PATHFINDERS EVENT WILL BE HELD IN MARCH 2025

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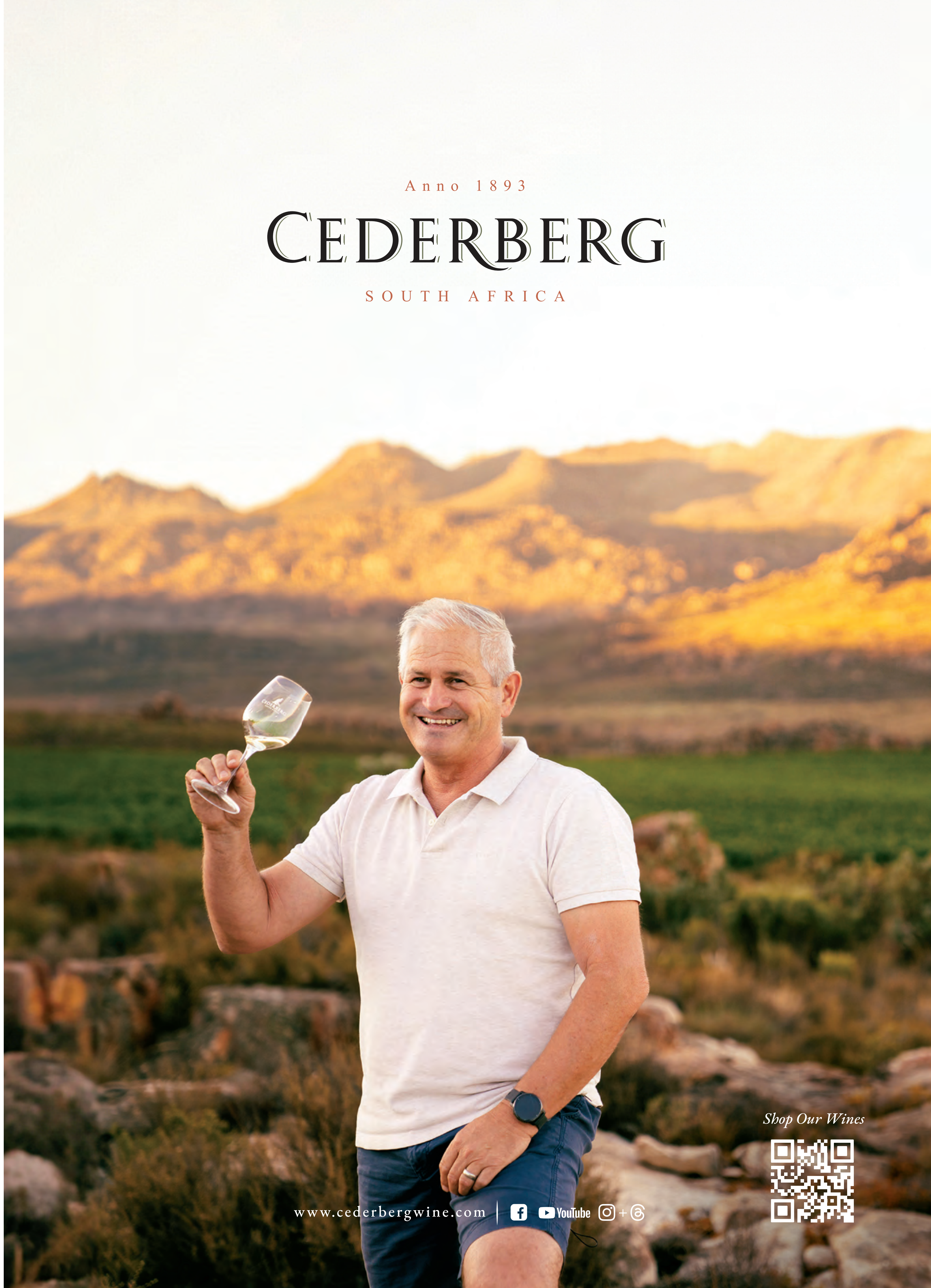
Wines Crafted At Nature's Summit

> *"I want people to drink my wines and think of these mountain ranges, unique and untouched"*

DAVID NIEUWOUDT, OWNER & CELLARMASTER

Turn off the highway into the Cederberg with its unique, craggy rock formations and you enter a different, magical realm. Here the clear, dark night skies are perfect for stargazing – and the quality of the wines produced here is stellar, too! The Nieuwoudt's farm, Dwarsrivier, is a three-hour drive from Cape Town. The family has farmed these lands, situated in the Cederberg Wilderness Area, since 1893. The current owner and cellarmaster, David, is the fifth generation to tend these pristine hectares.

Cederberg Wines' highest vineyards are situated at 1 036 metres above sea level in a disease and virus free growing area. The climate is cool continental with a dramatic temperature drop at night in summer and snow-capped mountains in winter. Clean air, pure water and an isolated location in the heart of the Cederberg mean that these cooler, high-altitude vineyards, which are disease and virus free, can be farmed as naturally as possible. No herbicides or pesticides have been sprayed in the last four years. Healthy grapes and a minimal intervention approach to the winemaking process in the cellar have resulted in Cederberg Wines' consistently award-winning range of wines. These high-altitude wines are high achievers that are acclaimed both locally and internationally!



A Selection of Stellar Wines

FROM SUMMIT TO SIP

The Cederberg range includes the Blanc de Blancs, a crisp and elegant Cap Classique; the iconic Sauvignon Blanc, which has the distinction of being the only high-altitude Sauvignon in the country; the vibrant, food-friendly Chenin Blanc; the expressive, berry-laden Sustainable Rosé; the classic, well-balanced Cabernet; and the complex, multi-layered Shiraz.

Blanc de Blancs Brut

A golden straw hue with a gentle, persistent mousse exploding on the surface of the glass. Aromas of apple blossoms and cut red apple on the nose with an edge of lemon curd on the palate to create vibrancy and depth of flavour. Made from 100% Chardonnay – at its refreshing, elegant best! Allow to mature in the bottle for additional nutty complexity.

Sauvignon Blanc

This high-altitude Sauvignon Blanc entices with its luminous pale, watery yellow colour. The aromatic nose leaps from the glass with a kaleidoscope of nuances including Cape gooseberry, kiwifruit, tropical fruit including granadilla, and pineapple. The palate is alive with all these aromas, including a sensation of slight sherbet sweetness to offset the refreshing lemony-lime green apple finish.

Chenin Blanc

This cool-climate Chenin Blanc leads with a fragrant nose of winter melon, stone fruit and broad tropical aromas. This delicious style of Chenin Blanc is refreshing with all the abundance of fruit shared on the palate ending with a crisp, clean, lingering golden delicious apple finish.

Sustainable Rosé

The Cederberg Sustainable Rosé entices the senses with its sophisticated pale salmonpink hue and its expressive nose showing an abundant aroma of strawberry mousse, rose petals, Turkish delight and just-ripe nectarines. The palate is refreshing with a saline savoury ending.

Shiraz

The 2020 Cederberg Shiraz is everything you ever wanted from a quality Shiraz, and then some. On the nose, a multitude of aromas including ripe plums and mulberries, rhubarb, Moroccan spices including cloves and nutmeg, and freshly ground black pepper. The palate is opulent with a sensual, velvety texture and silky tannins.

Cabernet Sauvignon

Following on from the award-winning 2020 vintage, the 2021 Cederberg Cabernet Sauvignon exhibits brilliant dark brooding fruit, plump black cherries and black pastels on the nose. The fruit comes through on the palate in layers of vibrancy and complexity, impressive for such a youthful wine.

Wines Crafted For A Sustainable Future

Wine ranges include Cederberg, Five Generations and David Nieuwoudt's Ghost Corner (grapes which are sourced from Elim on the ocean-cooled Cape South Coast). The Longaví range is an exciting cross-continental collaboration between Cederberg's cellarmaster David and renowned Chilean wine producer Julio Bouchon. Wines are also bottled under the Waitrose & Partners Foundation's label, profits from which support environmental and community projects. The winery has impeccable credentials when it comes to both environmental and social sustainability, implemented in conjunction with the forward-thinking Waitrose Foundation.

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING: ACQUIRER	JSE LISTING: SELLER	JSE LISTING: ASSET	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: ATTORNEY/ LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	The Bidvest Group (UK) (Bidvest) from Birch Hill Equity Partners and other investors	Citron Hygiene	Diversified Industrials	Foreign - Canada	Foreign - US	Barclays UK plc	Investec Bank	Baker McKenzie South Africa; Baker & McKenzie UK; Davies Ward Phillipps & Vineberg; Stikeman Elliott	Deloitte; BDO; Niche Advisory; Deloitte LLP	undisclosed	Jul 3
Disposal by ■	NE Property B.V. (NEPI Rockcastle) to subsidiary of CEE BIG BV	Promenada Novi Sad	Foreign - Serbia	Real Estate Holding & Development	Foreign - Serbia		Java Capital			€177m	Jul 3
Disposal by	Rand Merchant Bank (FirstRand) to Zedcrest	RMB Nigeria Stockbrokers	Foreign - Nigeria	Banks	Foreign - Nigeria					undisclosed	Jul 4
Acquisition by	Lighthouse Netherlands B.V. (Lighthouse Properties) from Tiekenveen Holdings B.V.	Alegro Montijo	Real Estate Holding & Development; Retail REITs	Foreign - Netherlands	Foreign - Portugal	Java Capital	Java Capital	PLMJ		€177,8m	Jul 4
Disposal by	Absa to Hollard International (Hollard Insurance)	100% of shareholdings in Global Alliance Seguros in Mozambique, Absa Life Botswana and Absa Life Zambia	not listed	Banks	Foreign - Mozambique; Foreign - Botswana; Foreign - Zambia			CMS; ENS; GDA Advogados; Viera De Almeida & Associados		undisclosed	Jul 4
Acquisition by	Accelerate Property Fund from Azrapart	internalisation of management company	Retail REITs	not listed	not listed	Bravura Capital	Bravura Capital	Brian Frank		R109,48m	Jul 8
Acquisition by °	Accelerate Property Fund from Azrapart	50% stake in the remaining bulk of Fourways Mall and 50% economic interest in the parking bays	Retail REITs	not listed	not listed	Bravura Capital	Bravura Capital	Brian Frank		R316,2m	Jul 8
Disposal by	AECI to Trouw Nutrition South Africa (Nutreco International)	Chemfit Fine Chemicals t/a AECI Animal Health	Foreign - Netherlands	Chemicals	not listed	PwC Corporate Finance		Cliffe Dekker Hofmeyr	Kensington Capital	undisclosed	Jul 9
Disposal by	Zeder Financial Services (Zeder Investments) to Vredenhof Beleggings (Sass and Emma Trust)	Applethwaite Farm	not listed	Asset Managers and Custodians	not listed	PSG Capital	PSG Capital	Cliffe Dekker Hofmeyr		R190m	Jul 9
Acquisition by	Rex Trueform Group from remaining shareholders of Telemedia	further 25% stake in Telemedia	Apparel Retailers	not listed	not listed		Java Capital			R14,15m	Jul 10
Acquisition by	Muchai Mining South Africa (Marula Mining) from Masena Cobalt	51% stake in Mansena Kruisrivier Cobalt Mining	General Mining	not listed	not listed	Cairn Financial Advisers	AcaciaCap Advisors; Peterhouse Capital			R40m	Jul 10
Acquisition by	Vision Investments from Business Rescue process	Tongaat Hulett	not listed	not listed	Sugar	Metis; Birkett Stewart McHendrie; Standard Bank; Valorem Capital	PSG Capital	Werksmans; Stein Scop		undisclosed	Jul 11
Disposal by †	Altron TMT (Altron) to 'Ascent' an ICT skills focused education trust (qualifying employees' relatives and other stakeholders)	20% stake in Altron TMT	not listed	Computer Services	not listed	Pallidus Capital	Pallidus Capital; Investec Bank	ENS	BDO	R21m	Jul 12
Disposal by °	Spear REIT to Upper East Side Hotel	various sectional title retail units and parking bays in the UES scheme located in Woodstock, Cape Town	not listed	Diversified REITs	not listed		PSG Capital		PSG Capital	R11,8m	Jul 12
Acquisition by	IA Bell from Bell Equipment minorities	remaining 15,05% stake (14 387 163 shares) in Bell Equipment [excluding certain shareholders representing 14,82%]	not listed	not listed	Commercial Vehicles & Parts	Merchantec Capital; Investec Bank	Merchantec Capital	Webber Wentzel; ENS	BDO	R762,5m	Jul 15
Disposal by	Sappi to UTB Waalwijk	Sappi Lanaken (Mill)	Foreign - Netherlands	Paper	Foreign - Belgium		Rand Merchant Bank			€50m	Jul 15
Acquisition by	Women Investment Portfolio and Unitas Enterprises (R Sassoon and M Sassoon) from Sasfin	8,8% interest each in Sasfin Wealth	not listed	Investment Services	not listed	Rothschild & Co (SA)	Questco	ENS	BDO	R107,14m	Jul 15
Acquisition by	Women Investment Portfolio and Unitas Enterprises (R Sassoon and M Sassoon) from minority shareholders	up to a 10% stake in Sasfin	not listed	not listed	Investment Services	Rothschild & Co (SA)	Questco	ENS	BDO	R96,37m	Jul 15

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign Deal - not included for ranking purposes (unless local adviser's role verified)
— Failed deal - excluded for ranking purposes
° Property deal - excluded for ranking purposes
† BEE deal

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by	Bidvest Noonan [UK] (Bidvest) from Bridges Sustainabe Growth Fund IV and other investors	Nexgen	Diversified Industrials	Foreign - UK	Foreign - UK	Arrowpoint Advisory		Baker McKenzie South Africa		not publicly disclosed	Jul 17
Disposal by	Trustco Business Developments (Trustco) to Riskowitz Value Fund LLP	1,3% stake in Trustco Resources	Foreign - US	Diversified financial services	Foreign - Namibia		Vunani Sponsors; Simonis Storm Securities; JP Galda			$4,55m	Jul 17
Acquisition by	Lithium and Tantalum Mining (Marula Mining)	Northern Cape Lithium and Tungsten	General Mining	not listed	not listed	Cairn Financial Advisers	AcaciaCap Advisors; Peterhouse Capital			R33m	Jul 19
Disposal by	Lighthouse Investments (Lighthouse Properties) to AC2 (ALFI RE)	mall known as Koper in Koper, Slovenia	Foreign - Slovenia	Real Estate Holding & Development; Retail REITs	Foreign - Slovenia	Java Capital	Java Capital			€68,75m	Jul 22
Disposal by ■	Anglo American to Taurus Funds Management	two royalty assets - an iron ore royalty [Onslow Iron project in Australia] owned by De Beers and a gold and copper royalty [Caspiche project in Chile]	Foreign - Australia	General Mining	Foreign - Australia; Foreign - Chile		Rand Merchant Bank			$195m	Jul 22
Disposal by ■	Hammerson plc to Silver Bidco (L Catterton)	42% stake in Value Retail Group	Foreign - US	Retail REITs	Foreign - UK	Eastdil Secured International; Morgan Stanley & Co (Int); Lazard & Co; J.P. Morgan (Int)	Investec Bank; Morgan Stanley & Co (Int)	Slaughter and May; Latham & Watkins		€705m	Jul 22
Acquisition by °	TPI UK No 2 (Texton Property Fund) from Kimwell Drive Properties	90% of an infill class-B stand-alone industrial property in North Carolina	Diversified REITs	Foreign - US	Foreign - US	Investec Bank	Investec Bank			$2,75m	Jul 23
Disposal by °	Equites Property Fund to a joint venture between Newlands UK Management and Forum Partners	Equites Newlands development platform	Foreign - UK	Industrial REITs	Foreign - UK		Java Capital			£10m	Jul 25
Acquisition by	Telemedia (African and Overseas Enterprises)	25,1% stake in Emerge Media (United Kingdom)	Apparel Retailers	Foreign - UK	Foreign - UK					$450 000	Jul 26
Acquisition by	Rex Trueform (African and Overseas Enterprises) from W van der Vent, K Miller and C Hyland	18,35% stake in Belper Investments	Apparel Retailers	not listed	not listed		Java Capital			R27,37m	Jul 29
Acquisition by ■	BHP Investments Canada (BHP)	50% stake in Filo Corp (owner of Filo del Sol copper project)	General Mining	Foreign - Canada	Foreign - Argentina; Foreign - Chile	TD Securities	J.P. Morgan (SA)	Stikeman Elliot		$2,05bn	Jul 30
Disposal by	Zeder Financial Services (Zeder Investments) to Dutoit Agri (Fruitgrow Trust, GC du Toit IV Trust and PSF du Toit Trust)	Novo Fruit Packers	not listed	Asset Managers and Custodians	not listed	PSG Capital	PSG Capital	Werksmans		R195m	Jul 30
Disposal by	Mpact Operations (Mpact) to Greenpath Recycling (Sinica Manufacturing)	Versapak business	not listed	Containers & Packaging	not listed		Standard Bank	Webber Wentzel		R254,7m	Aug 1
Disposal by	Masimong Chemicals (Sabvest Capital) to Solevo MEA B.V.	24,66% stake in Rolfes	Foreign - Netherlands	Asset Managers and Custodians	not listed	Rand Merchant Bank; Birkett Stewart McHendrie	Rand Merchant Bank	DLA Piper South Africa; Bowmans		R179,5m	Aug 1
Acquisition by	Capitec Life (Capitec Bank) from Guardrisk Life (Momentum)	credit life insurance business	Banks	Life Insurance	not listed			DLA Piper South Africa		undisclosed	Aug 1
Acquisition by	MTN Nigeria (MTN) from Acxani Capital	remaining 7,17% stake in MoMo Payment Service Bank	Telecommunications Services	Foreign - Nigeria	Foreign - Nigeria					$4,36m	Aug 2
Acquisition by	Greenstreet 1/STANLIB Infrastructure Fund II (Standard Bank) from Scatec ASA	33% stake in the Kalkbult and 32% stake in Linde and Dreunberg solar power plants	Banks	Foreign - Norway	not listed			Fasken		R921m	Aug 2

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° Property deal - excluded for ranking purposes

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by ■	Muchai Mining Kenya (Marula Mining)	80% shareholding in Agarwal Metals and Ores (owner of the Kilifi Manganese Processing plant)	General Mining	Foreign - Kenya	Foreign - Kenya	Cairn Financial Advisers	AcaciaCap Advisors; Peterhouse Capital			R57m	Aug 5
Disposal by	Tremgrowth (Trematon Capital Investments) to Dr K Al Ajmi	60% interest in Genexperience	Foreign - UAE	Closed End Investments	not listed		Questco	Bernadt Vukic Potash & Getz		$3m	Aug 6
Acquisition by	Meerust Chrome (Mantengu Mining) from New Venture Mining Investment Holdings (TG Mocwane)	the transfer of the mining right to mine chrome ore in the North West Province	AltX - Industrial	not listed	not listed		Merchantec Capital			R7m	Aug 8
Disposal by	AIH International (Attacq) to Lango Real Estate	25% stake in Gruppo and a 50% stake in AttAfrica	Foreign - Mauritius	Diversified REITs	Foreign - Nigeria; Foreign - Ghana		Java Capital	Herbert Smith Freehills South Africa		$15,24m	Aug 12
Disposal by	Hyprop Investments Mauritius (Hyprop Investments) to Lango Real Estate	75% stake in Gruppo and a 50% stake in AttAfrica	Foreign - Mauritius	Retail REITs	Foreign - Nigeria; Foreign - Ghana		Java Capital	Herbert Smith Freehills South Africa		$44,1m	Aug 12
Acquisition by	Emira Property Fund from DL Invest Group 1 SCSP	effective 25% stake in DL Invest Group	Diversified REITs	Foreign - Luxembourg	Foreign - Poland		Questco; Java Capital	White & Case (SA)		€55,5m	Aug 12
Acquisition by	Gold Fields from Osisko Mining shareholders	Osisko Mining	Gold Mining	Foreign - Canada	Foreign - Canada	RBC Capital Markets	J.P. Morgan (SA)	Webber Wentzel; McCarthy Tétrault		C$2,16bn	Aug 12
Acquisition by	Neo Uranium Resources Beisa Mine (Neo Energy Metals) from Sunshine Mineral Reserves	Beisa North and Beisa South uranium and gold projects	Open End and Miscellaneous Investment Vehicles	not listed	not listed	AcaciaCap Advisors				R381m	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	not listed	Consumer Lending	not listed		Investec Bank	ENS		R410m	Aug 14
Acquisition by	Argent Industrial UK (Argent Industrial) from P and JE Fitzgerald	Standmode and its subsidiary Mersey Container Services	Industrial Suppliers	Foreign - UK	Foreign - UK		PSG Capital			£6,89m	Aug 19
Disposal by †	MTN to MTN Zakhele Futhi consisting of black individuals and groups	4% stake in MTN	Open End and Miscellaneous Investment Vehicles	Telecommunications services	Telecommunications services	Rand Merchant Bank; Tamela	Tamela; J.P. Morgan (SA)	Webber Wentzel		R6,4bn	Aug 19
Acquisition by	Nedbank Private Equity and Mineworkers Investment Company	a majority stake in Tropic Plastic & Packaging	Banks	not listed	not listed	Nedbank CIB				undisclosed	Aug 22
Acquisition by	Grindrod	remaining 57,7% interest in its joint venture Grindrod Rail Consultancy Services	Transportation Services	not listed	not listed					R65m	Aug 23
Acquisition by	Commercial Cold Holdings (African Infrastructure Investment Managers) [Old Mutual]	iDube Cold Storage in KZN	Life Insurance	not listed	not listed					undisclosed	Aug 23
Acquisition by °	Stor-Age Property REIT	Extra Attic in Airport Industria, Cape Town	Storage REITs	not listed	not listed					R73m	Aug 27
Acquisition by	Bid Corporation	100% interest in Turner & Price	Food Retailers & Wholesalers	Foreign - UK	Foreign - UK					£65m	Aug 28
Disposal by	Life Healthcare to Summit Private Equity	St Mary's Private Hospital, Mthatha	not listed	Health Care Facilities	not listed				Deloitte	R300m	Aug 29
Acquisition by	Santam from MTN	MTN South Africa device insurance book	Property & Casualty Insurance	Telecommunications Services	not listed					R59m	Aug 29
Acquisition by	King Loan Finance (Finbond)	Kitsismart and KWT Finance	Banks	not listed	not listed		African Bank			R25,75m	Aug 29
Acquisition by °	Putprop from T Switala, P Rude and G Irons	a further 12,03% shareholding (12,030 shares) in Pilot Peridot Investments	Real Estate Holding & Development	not listed	not listed					R6,14m	Aug 30

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° Property deal - excluded for ranking purposes
† BEE deal

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by	Sanlam Life (Sanlam) from African Rainbow Capital Investments	25% stake in African Rainbow Capital Financial Services in an asset swap of 25% interest in ARC Financial Services Investment plus a cash subscription of shares	Life Insurance	Closed End Investments	not listed	Sanlam Corporate Finance	Standard Bank; Deloitte	Webber Wentzel	Deloitte; PwC	R3,91bn	Sep 2
Disposal by	Nampak	the business of manufacturing, selling and supplying plastic drums	not listed	Containers & Packaging	not listed	PSG Capital	PSG Capital			undisclosed	Sep 2
Disposal by	Burstone to Blackstone	63,15% stake in the Pan-European Logistics (PEL) platform	Foreign - US	Diversified REITs	Foreign - Europe	Merrill Lynch (SA); Investec Bank; Standard Chartered Bank; Barclays Bank Ireland plc; Standard Chartered Bank (Int)	Merrill Lynch (SA)	Cliffe Dekker Hofmeyr; Bowmans; Bryan Cave Leighton Paisner; Simpson Thacher & Bartlett	PwC	€250m	Sep 2
Acquisition by	Irongate Joint Venture (Burstone Group)	co-investment in new industrial joint venture which will acquire a portfolio of industrial and logistics assets in Queensland	Diversified REITs	Foreign - Australia	Foreign - Australia	Merrill Lynch (SA); Investec Bank	Merrill Lynch (SA)	Cliffe Dekker Hofmeyr		A$100m	Sep 2
Acquisition by	Pepkor Lifestyle (Pepkor) from Shoprite	furniture businesses operating in SA, Botswana, Lesotho, Namibia, Eswatini and Zambia	Diversified Retailers	Food Retailers & Wholesalers	Foreign - Africa	Standard Bank	Standard Bank; Nedbank CIB	Bowmans; Webber Wentzel		R3,2bn	Sep 3
Disposal by	Takealot (Naspers) to consortium led by Blank Canvas Capital	Superbalist	not listed	Consumer Digital Services	not listed	Rand Merchant Bank				undisclosed	Sep 3
Acquisition by	Bidvest Automotive (Bidvest)	Serco Industries	Diversified Industrials	not listed	not listed			MVR Attorneys; DM5 Attorneys		R200m	Sep 3
Acquisition by	Shoprite from RTT	remaining 50% stake in Pingo Delivery	Food Retailers & Wholesalers	not listed	not listed		Nedbank CIB			undisclosed	Sep 4
Disposal by	The Spar Group to Przedsiębiorstwo Produkcyjno Handlowo Usługowe Specjał Spółka z o.o.	New Polish Investments Spółka z o.o.	Food Retailers & Wholesalers	Foreign - Poland	Foreign - Poland		One Capital			R185m	Sep 4
Disposal by	Sanlam to SanlamAllianz (Sanlam and Allianz joint venture)	Namibian operations	Foreign - Africa	Life Insurance	Foreign - Namibia	Standard Bank; Sanlam Corporate Finance		Bowmans; Webber Wentzel		R2,5bn	Sep 5
Disposal by	Trematon Capital Investments to Aria Property Group	60% stake in Aria (portfolio of 13 properties)	not listed	Closed End Investments	not listed		Questco	Bernadt Vukic Potash & Getz; Cliffe Dekker Hofmeyr		R293m	Sep 9
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	Retail REITs	Foreign - Portugal	Foreign - Portugal		Java Capital; IJG Securities			€141,2m	Sep 9
Acquisition by	RMB Investment and Advisory (FirstRand) from Suitable World (Harbert European Real Estate Fund V)	20% of three property owning companies Rio Sul (Lisbon), Loureshopping (Lisbon) and 8 Avenida (Porto) held in NewCo	Banks	Foreign - Portugal	Foreign - Portugal	Rand Merchant Bank				€35,3m	Sep 9
Disposal by	Libstar to Mithratech SA (Morvest Group)	Chet Chemicals	not listed	Food Products	not listed	Marsden Advisory	Standard Bank	Cliffe Dekker Hofmeyr; ENS		undisclosed	Sep 10
Acquisition by ■	Anglogold Ashanti from Centamin plc shareholders	Centamin	Gold Mining	Foreign	Foreign - Jersey	Goldman Sachs (SA); Gordon Dyal & Co; Goldman Sachs International; BofA Securities; BMO Capital Markets	Standard Bank	Slaughter and May; Norton Rose Fulbright		$2,5bn	Sep 10
Disposal by °	TPI UK No2 (Texton Property Fund) to Banafa Properties	industrial property located in the Heapham Road Industrial Estate in Gainsborough, UK	Foreign - Cyprus	Diversified REITs	Foreign - UK	Investec Bank	Investec Bank			£7,3m	Sep 10
Disposal by ■	Kamoso [76% held] (Choppies Enterprises) to V Sanooj and JS Senwelo	Mediland Health Care Distribution	Foreign - Botswana	Food Retailers & Wholesalers	Foreign - Botswana		PSG Capital; Motswedi Securities			BWP100	Sep 13
Reverse takeover ■	Kibo Energy by ESGTI AG	diverse portfolio of renewable energy projects across Europe and Africa	AltX - General Mining	Foreign - Switzerland	Foreign - Europe; Foreign - Africa	River Group	River Group			€400m	Sep 16
Acquisition by	Metrofile	remaining 30% shareholding in Iron Tree Internet Services	Professional Business Support Services	not listed	not listed					R69,9m	Sep 16

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign Deal - not included for ranking purposes (unless local adviser's role verified)
° Property deal - excluded for ranking purposes

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by	Finbond Group North America (Finbond Group)	an additional 27,78% stake in Americash Holdings and CreditBox.com businesses	Banks	Foreign - US	Foreign - US		African Bank			$1,65m	Sep 16
Disposal by	Metair International Holdings Cooperatief U.A. (Metair Investments) to Quexco	Metair Akü Holding Anonim Sirketi (Turkish operations)	Foreign - US	Auto Parts	Foreign - Turkey	Rand Merchant Bank	One Capital	Webber Wentzel; Bowmans; Linklaters	EY	$110m	Sep 17
Reverse takeover ■	Europa Metals	Viridian Metals Ireland and 100% owned Tynagh brownfiled Pb/Zn/Cu/Ag project	AltX - Iron & Steel	Foreign - Ireland	Foreign - Ireland	Beaumont Cornish	Questco			to be advised	Sep 17
Disposal by ■	Europa Metals to Denarius Metals	Europa Metals Iberia (Toral Pb/Zn/ Ag project)	Foreign - Canada	AltX - Iron & Steel	Foreign - Iberia	Beaumont Cornish	Questco			C$7m	Sep 17
Disposal by °	TPI UK No 1 (Texton Property Fund) to Urban Logistics Acquisitions 9	20 Pease Road, North West Industrial Estate, Peterlee in UK	Foreign - UK	Diversified REITs	Foreign - UK	Investec Bank	Investec Bank			£8,3m	Sep 17
Acquisition by	Grindrod Mauritius (Grindrod) from Vitol Mauritius	remaining 35% interest in Terminal de Carvão da Matola	Transportation Services	Foreign - Switzerland	Foreign - Mozambique	Rand Merchant Bank	Rand Merchant Bank; Nedbank CIB	ENS		$77m	Sep 18
Acquisition by ■	NewRiver REIT plc from Capital & Regional plc minorities	Capital & Regional	Foreign - UK	not listed	Retail REITs	Rand Merchant Bank; Jefferies International; Kinmont; Deutsche Numis; Stifel Nicolaus Europe; Dial Partners	Java Capital; Rand Merchant Bank; Jefferies International; Panmure Liberum; Shore Capital Stockbrokers; Stifel Nicolaus Europe	Eversheds Sutherland (International); CMS Cameron McKenna Nabarro Olswang	BDO (London)	£147m	Sep 18
Acquisition by	Mustek	70% interest in CyberAntix	Computer Hardware	not listed	not listed					R8m	Sep 19
Acquisition by	Remgro	further 2 921 261 shares in Capevin	Diversified Financial Services	not listed	not listed					R61m	Sep 19
Acquisition by	Powerfleet	Fleet Complete	Computer Services	Foreign - Canada	Foreign - Canada; Foreign - Europe; Foreign - Australia	Rand Merchant Bank; William Blair & Company; Centerview Partners; Barclays (Int)	Java Capital	Olshan Frome Wolosky; Aird & Berlis; Torys		$200m	Sep 19
Disposal by	Kibo Energy to Aria Capital Management	Kibo Mining (Cyprus)	Foreign - UK	AltX - General Mining	Foreign - Cyprus	River Group	River Group			undisclosed	Sep 19
Joint Venture ■	BHP Group (BHP) and Cobre	earn-in over Cobre's Kitlanya West and East Copper Projects	General Mining; Foreign - Australia		Foreign - Botswana					undisclosed	Sep 23
Disposal by °	Putprop to Global Tank Work (Sky-Way B.V.)	property situated at 3 and 7 New Canada Road, Putcoton, Soweto	Foreign - Netherlands	Real Estate Holding & Development	not listed		Merchantec Capital			R42m	Sep 26
Acquisition by	Rand Merchant Bank (FirstRand) from HSBC	HSBC South Africa	Banks	Foreign - UK	not listed	Rand Merchant Bank	Rand Merchant Bank	Norton Rose Fulbright; DLA Piper South Africa		R17,24bn	Sep 26
Acquisition by	NEPI Rockcastle from Union Investment Real Estate GmbH	Kasama Investments, which owns Magnolia Park in Wroclaw, Poland	Real Estate Holding & Development	Foreign - Germany	Foreign - Poland		Java Capital			€373m	Sep 27
Disposal by	Transaction Capital to the Oberholster Family Trust and management	64,5% stake in Mobalyz	not listed	Consumer Lending	not listed		Investec Bank	ENS		undisclosed	Sep 27
Disposal by	Transaction Capital to SATH	100% of RC Value Added Services	not listed	Consumer Lending	not listed		Investec Bank	ENS		R160m	Sep 27
Acquisition by	Growthpoint Student Accommodation (Growthpoint Properties)	Fountains View at 606 Thabo Sehume Street, Pretoria	Diversified REITs	not listed	not listed					undisclosed	Sep 27
Disposal by	Zeder Financial Services (Zeder Investments)	Pome farm known as Misty Cliffs	not listed	Asset Managers and Custodians	not listed	PSG Capital	PSG Capital			R45m	not announced

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign Deal - not included for ranking purposes (unless local adviser's role verified)
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DEALMAKERS LEAGUE TABLE CRITERIA

1 – INCLUSION CRITERIA

1.1 A merger or acquisition results in new parties acquiring exposure to new revenue/earnings streams or an exposure to new growth opportunities that they did not have prior to the conclusion of the transaction in question. The economic substance of the entity shareholders are exposed to must change.

General Corporate Finance covers transactions where this is not the case, regardless of the mechanism used to implement the transaction. If there is no agreement concluded with a third party that achieves new economic exposure for the entity in question then the transaction falls under General Corporate Finance.

1.2 For a deal to qualify for ranking:
- at least one entity involved (buyer, seller or target) must be listed on one of SA's stock exchanges (JSE, A2X, 4AX or EESE); or
- the entity is a subsidiary (50% + 1 share) held by a South African Exchange listed firm; or
- if the entity is an associate (less than 50% + 1 share) and triggers an announcement on SENS by the listed company, then the transaction will be considered for inclusion in the ranking tables under the listed entities name.

1.3 For deals to be included in the database and used for ranking purposes, the following information must be provided for each submission:
- the name of the target and at least one party to the transaction.
- deal description.
- advisory role and client name.
- date of announcement.
- deal value. If this is not publicly disclosed, the value may be submitted confidentially and used for ranking purposes only; otherwise the deal will count only towards deal flow.

1.4 (i) Deals and transactions which are classified as affected transactions where the Takeover Regulations apply will be captured only when:
- a firm intention or other regulatory announcement has been issued accompanied by;
- a price; and
- a timetable or financial effects.

(ii) Any other deals and transactions submitted by advisory firms which are not classified as an affected transaction or where the Takeover Regulations do not apply will be captured only when submitted with proof of:
- the transaction i.e. front page of the contract;
- role undertaken; and
- price.

1.5 The acquisition and disposal of properties by SA Exchange listed property companies will be included for ranking purposes if:
- a category 2 announcement is issued and one side has an external financial adviser. Where large listed property companies use their own internal counsel, deals will be assessed on a case by case basis; or
- if below R200m, the deal will only be included if there is an external financial adviser to one party.
- If several transactions are announced simultaneously, these will be recorded separately (it is necessary to set this out because of complaints regarding the occasional multiplicity of property deals announced simultaneously but involving different principals). However, in the case of the acquisition of a property portfolio from a single vendor, the transaction will be recorded as a single deal unless adequate proof is provided demonstrating that the major shareholders of portions of the portfolio differ significantly one from the other.

1.6 Private equity deals will be considered as an M&A transaction if:
- the private equity entity is listed; or
- the target or stake acquired is a South African Exchange listed company; or
- the private equity entity is a subsidiary of a South African Exchange listed company and the deal is transacted 'on balance sheet' (proof of this must be provided). In addition, there must be external advisers to both parties. Where an in-house adviser is used, this adviser must provide a confirmatory letter from the other party.

1.7 Deals that are subsequently cancelled, withdrawn or which are deemed to have failed will not be included for ranking purposes. They will be recorded, nevertheless, for record purposes.
- An exception to this rule is where deals fail as a result of successfully conducted hostile defences. A hostile takeover is defined as one launched against the wishes of management and directors. Credit will be applied only to those acting on behalf of a successful defence.

1.8 Foreign deals defined by Deal**Makers** as deals between principals domiciled outside South Africa, but a least one has a dual listing in South Africa, will only qualify for ranking purposes if:
- SA subsidiaries of the contracting parties played a critical role in the deal process; or
- SA service providers can demonstrate the extent to which they played a role in the deal process.
- For any deal to be included for ranking purposes, the deal must have been initiated, managed and/or implemented by the SA service provider/providers. Where the deal is between internationally domiciled and/or listed companies, the deal will only qualify if the SA service provider, or the SA branch/arm of an international service provider, was the prime mover, manager or implementer of the transaction. Proof of the SA service provider's role (or the role of the SA branch of an internationally based service provider) will depend significantly on the allocation of fees earned in respect of such an international deal and Deal**Makers** may request appropriate verification before agreeing to the deal's inclusion for ranking purposes.

1.9 Deals transacted in Africa by SA Exchange listed companies will also be captured in the Deal**Makers** AFRICA and **Catalyst** magazine tables.

2 – EXCLUSION CRITERIA

2.1 Options will not be included until such time as these are exercised. No exceptions to this rule will be permitted.

2.2 Deals and transactions executed in the normal course of business (other than investment holding companies, permanent capital vehicles whose primary objective is to acquire businesses, SPACs and the like):
- Subject to the inclusion criteria, activity undertaken by companies in the normal course of their business will not be recognised by Deal**Makers** for inclusion in the ranking tables. If a dispute as to the interpretation of "normal course of business" arises, this will be dealt with in terms of adjudication.

2.3 Announcements made in respect of section 122(3)(b) of the Companies Act are deemed by Deal**Makers** as normal course of business and not included.

2.4 The sale by banks and financial institutions of stakes in property which have been developed and on sold will not be classified as an M&A transaction.

2.5 Foreign deals defined by Deal**Makers** as deals between principals domiciled outside South Africa will not qualify for rankings unless certain criteria are met (see inclusion criteria). In the case of property deals, the minimum value of R350m applies.

2.6 Deals announced in a listing document prior to a company's listing will be included only in the unlisted tables.

DEALMAKERS LEAGUE TABLE CRITERIA (continued)

3 – TREATMENT OF DEAL/ TRANSACTION VALUE

3.1 All deals and transactions (transactions is the word applied by DealMakers to General Corporate Finance activity) are dated for record purposes on the first announcement date (except for listings, for which the record date is the date of the actual listing). Refer to inclusion criteria 1.4 and 3.4 below.

3.2 Only equity value will be used and not the enterprise value. Deal**Makers** does not include debt.

3.3 Where discrepancies occur in the deal values claimed, Deal**Makers** reserves the right to challenge these, if necessary, by requesting clarity from the clients where this is appropriate.

3.4 Changes in the value at which deals are transacted will be adjusted when the annual rankings are computed.

3.5 Schemes of arrangement, rights issues and share repurchases are valued for record purposes at the maximum number of shares and value that can be purchased or issued until such time as the results are announced.

3.6 Only the value of the SA exchange listed partner's stake in a joint venture will be captured and credited to advisory parties.

3.7 The value of unbundlings will be treated as follows:
- if the asset being unbundled is listed then the market value will be used.
- if the asset(s) is unlisted then the value will only be applied when listed or when details are made available by way of a public announcement.
- if not to be listed then value must be provided by the client.

3.8 Earn-outs or future additional payments based on the ability of the asset acquired to achieve certain financial targets are not included. Should targets be met, the value will be added to the original transaction on date first captured.

3.9 No value will be credited to the listing of companies on a secondary SA exchange if already listed on the JSE and vice versa.

4 – ADVISER CREDITS

4.1 Credit for ranking purposes is recorded for roles performed in respect of:
- Investment advisers
- Sponsors
- Legal advisers
- Transactional Support Services (includes due diligence, independent expert and other financial and bespoke legal advice as well as reporting accountant work)
- PR

4.2 So as to achieve fairness, rankings are recorded in two fields:
- Deal Value
- Deal Flow (activity, or the number of deals)

4.3 Advisers that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement:
- by the appearance of the adviser name and/or logo on the announcement.
- advisers that claim involvement in a deal or transaction, on which their name and/or company logo does not appear on the published announcement recording their specific role, will be asked to provide confirmation from the principals regarding their role/roles. This may be in the form of a copy of the mandate, an email or letter.
- the same will apply to PR firms but credit will not be awarded on the basis of annual retainers but rather on the specific mandate.

4.4. The role of sponsor will be awarded only to specifically announced deals and transactions. Those deals announced in company results will not automatically be credited. The onus will be on the sponsor firm to provide proof of work carried out on the deal claimed. In addition, where a transactional sponsor is named in addition to the company sponsor, only the transactional sponsor will be given credit unless involvement of both parties can be demonstrated.

4.5 Where internationally-based service providers are acknowledged as having worked on a particular deal, it is a requirement that they produce acceptable evidence that a significant portion of the work involved was conducted by their South African office. Failure to provide this in the form, for example, of a letter or email from a client will result in Deal**Makers** not crediting that particular deal to that service provider.

4.6 Where advisers make use of other advisers (secondary advisers), and provided the work undertaken can be verified, secondary advisers will only be credited for ranking purposes to Legal Advisers working on capital markets transactions.

4.7 Advisers on the provision of debt are not included.

4.8 The full value of each deal is credited to each advisory firm providing a service in respect of that deal. However, if a deal involves more than one listed SA Exchange company, the transaction will be split so as to reflect each listed company's stake. Advisers will be credited accordingly.

4.9 Where an advisory firm is advising a member of a consortium, the full value of the deal will be credited – the value will not be pro-rated to the size of the stake of the party advised.

4.10 Where advisers act on both sides of any deal, the deal will be brought to account only once.

4.11 When there is a merger between two service providers, the merged entity may elect to include, as part of the annual rankings, one or the other party's transactions prior to the merger (but not both).

5 – GUIDELINES

5.1 Submissions for the quarter are due by the end of the first week in the following quarter.

5.2 For deals to be included in the database and used for ranking purposes, the following information must be provided for each submission:
- the name of the target and at least one party to the transaction; and
- deal description; and
- advisory role and client name; and
- date of announcement; and
- deal value. If this is not publicly disclosed, the value may be submitted confidentially and will be used for ranking purposes only.

5.3 All deals and transactions are checked by Deal**Makers**; any discrepancies that arise will be queried.

5.4 Complaints, queries, objections and adjudication:
- These must be lodged with Deal**Makers** not later than the end of the next following quarter, so in respect of Q1 by the end of Q2.
- In respect of Q4, these must be lodged by the close of business on January 21 or the closest business day. No exceptions will be permitted. This is to ensure that all advisers are aware of transactions to be used in the final ranking process.

5.5 The submission of additional deals for quarters prior must follow the same deadlines as in 5.4. In respect of Q4, these must be lodged by January 16 or the closest business day.

5.6 So as to avoid tendentious argument, Deal**Makers** has appointed an independent adjudicator before whom matters in dispute may be laid. The adjudicator's ruling will be final in each case and no further submissions will be accepted after a ruling has been made.
- Deal**Makers** is conscious that challenges may contain sensitive information. All challenges will be treated, therefore, as highly confidential. Challengers' identities will be protected at all times.
- Challenges may be made only through Deal**Makers**. Advisory firms on both sides may submit documentation supporting their arguments to Deal**Makers** who will pass on all information to the independent adjudicator.
- Deal**Makers** reserves to itself the right to challenge claims similarly.

5.7 All entities involved in deal-making and/or corporate finance transactions are asked to sign off a summary document prepared by Deal**Makers** to ensure that no clerical errors have occurred. No response will indicate acceptance.

5.8 Unlisted SA and Africa deal tables have their own set of criteria.

5.9 Deal**Makers** does not accept responsibility for any errors or omissions.

UNLISTED DEALS Q3 2024

NATURE OF DEAL	PARTIES	ASSET	TOMBSTONE PARTIES					ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	INVESTMENT ADVISER - FOREIGN	ATTORNEY/ LEGAL ADVISER	LEGAL ADVISER - FOREIGN	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by	Ecora Resources from Rainbow Rare Earths	a 0.85% Gross Revenue Royalty over the Phalaborwa Rare Earths Project			Bowmans			$8,5m	Jul 1
Investment by	Renew Capital	Pumpkn						undisclosed	Jul 2
Acquisition by	HOSTAFRICA	deepafrica's domains and hosting assets (Kenya)						undisclosed	Jul 10
Investment by	Sanari Capital	in Edulife Group (follow-on investment)						R80m	Jul 10
Acquisition by	Bernard Street Trading (Zungu Investments Company)	the rental enterprise of Dunrose Investments 82 situated at 1 Francis Road, Anderbolt, Boksburg			Werksmans			undisclosed	Jul 11
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
Acquisition by	LULA from Zeelo	Zeelo South Africa						undisclosed	Jul 17
Disposal by	AB Electrolux to Haier Smart Home	water heater business in South Africa			Webber Wentzel			enterprise value R2,4bn	Jul 18
Acquisition by	Ticketmaster	Quicket			ENS; Bowmans			undisclosed	Jul 24
Acquisition by	Seventy Friesland (Quadri Holdings)	Irene Country Lodge and Irene Farm						undisclosed	Jul 25
Disposal by	Pioneer Foods Groceries (PepsiCo SA) to Anchor Yeast	Marmite and Bovril business			Cliffe Dekker Hofmeyr; ENS			not publicly disclosed	Jul 29
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; Birkett Stewart McHendrie		DLA Piper South Africa; Bowmans			undisclosed	Aug 1
Disposal by †	Solveo MEA B.V. to Afropulse Group	a 12.5% stake in Rolfes Holdings	Rand Merchant Bank; Birkett Stewart McHendrie		DLA Piper South Africa; Bowmans			undisclosed	Aug 1
Acquisition by	Sun World International	Biogold Group (Citrogold)			Webber Wentzel			undisclosed	Aug 1
Acquisition by	CubeSpace	Dawn Dusk			Fasken (SA)			undisclosed	Aug 1
Investment by	Factor E Ventures	in Open Access Energy [part of a $1,5m seed round]						$750,000	Aug 12
Acquisition by	Impact Africa (Impact Oil & Gas) from Silver Wave Energy Pte	the remaining 10% stake in Area 2, offshore South Africa (Exploration Right ref 12/3/276)						undisclosed	Aug 12
Acquisition by	Advent International	a majority stake in SYSPRO		Torch Partners	White & Case (SA); Webber Wentzel	White & Case		undisclosed	Aug 13
Acquisition by	GCP 11 SPV (Growth Capital Partners II)	a stake in Artav Stainless Steel						undisclosed	Aug 14
Acquisition by	Warshay Investments trading as KWV from Pernod Ricard South Africa	the Red Heart run brand and related assets						undisclosed	Aug 14
Investment by	Mergenece Investment Managers	in Solarise Africa	PSG Capital					R160m	Aug 20
Acquisition by	Qatar Airways from existing shareholders	a 25% stake in Airlink			Bowmans; Cliffe Dekker Hofmeyr			undisclosed	Aug 20
Acquisition by	MIC Investment	Tropic Plastic and Packaging Industry			Webber Wentzel			undisclosed	Aug 22
Acquisition by	AccorHotels South Africa	the remaining 50% stake in Giltedge Travel						undisclosed	Aug 22

* Investment Advisers include Financial Advisers and others claiming this category
† BEE deal

UNLISTED DEALS Q3 2024 (Continued)

NATURE OF DEAL	PARTIES	ASSET	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: INVESTMENT ADVISER - FOREIGN	TOMBSTONE PARTIES: ATTORNEY/ LEGAL ADVISER	TOMBSTONE PARTIES: LEGAL ADVISER - FOREIGN	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	ME Elecmetal	PRIMA Foundry	Deal Leaders International					undisclosed	Sep 4
Acquisition by	Computer Mania	gomaxx.						undisclosed	Sep 9
Joint venture between	Valhalla Capital Partners, EPSE, Prosep and Titan Resources	dissemination of EPSE's water treatment technology across Africa						undisclosed	Sep 9
Disposal by	Nestlé East & Southern Africa to Lactalis South Africa	Nestlé Cremora business	Standard Bank		Norton Rose Fulbright South Africa; ENS			undisclosed	Sep 11
Acquisition by	Xero	Syft Analytics			Norton Rose Fulbright South Africa; Webber Wentzel			undisclosed	Sep 16
Acquisition by	Metier Sustainable Capital Fund II	a stake in Mertech Marine	Benchmark International		Cliffe Dekker Hofmeyr			not publicly disclosed	Sep 16
Acquisition by	Campari Group from ODC (Bidco)	a 14.6% stake in Capevin			Bowmans			£69,6m	Sep 17
Investment by	Tlcom Capital and Flourish Ventures	in Littlefish						undisclosed	Sep 29

* Investment Advisers include Financial Advisers and others claiming this category

UNLISTED DEALS Q1 - Q3 2024 RANKINGS

LEGAL ADVISERS RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	Bowmans	11 047	36,14%
2	ENS	8 128	26,59%
3	Cliffe Dekker Hofmeyr	5 799	18,97%
4	Webber Wentzel	2 400	7,85%
5	Werksmans	1 769	5,79%
6	DLA Piper South Africa	1 422	4,65%
7	Baker McKenzie (SA)	undisclosed	n/a
	Caveat	undisclosed	n/a
	CMS	undisclosed	n/a
	Eversheds (SA)	undisclosed	n/a
	Falcon & Hume	undisclosed	n/a
	Fasken (SA)	undisclosed	n/a
	Fluxmans	undisclosed	n/a
	Norton Rose Fulbright South Africa	undisclosed	n/a
	Poswa	undisclosed	n/a
	STBB	undisclosed	n/a
	TGR Attorneys	undisclosed	n/a
	Tugendhaft Wapnick Banchetti	undisclosed	n/a
	White & Case (SA)	undisclosed	n/a

LEGAL ADVISERS RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Bowmans	26	25,00%	11 047
2	Cliffe Dekker Hofmeyr	17	16,35%	5 799
3	ENS	14	13,46%	8 128
4	Werksmans	13	12,50%	1 769
5	Webber Wentzel	12	11,54%	2 400
6	DLA Piper South Africa	4	3,85%	1 422
7	Norton Rose Fulbright South Africa	3	2,88%	undisclosed
8	Baker McKenzie (SA)	2	1,92%	undisclosed
	Fasken (SA)	2	1,92%	undisclosed
	Fluxmans	2	1,92%	undisclosed
11	Caveat	1	0,96%	undisclosed
	CMS	1	0,96%	undisclosed
	Eversheds (SA)	1	0,96%	undisclosed
	Falcon & Hume	1	0,96%	undisclosed
	Poswa	1	0,96%	undisclosed
	STBB	1	0,96%	undisclosed
	TGR Attorneys	1	0,96%	undisclosed
	Tugendhaft Wapnick Banchetti	1	0,96%	undisclosed
	White & Case (SA)	1	0,96%	undisclosed

UNLISTED RANKING CRITERIA

Ranking the unlisted deals applies to Legal Advisers (quarterly) and Financial Advisers (annually)

1. For a deal to qualify for ranking, it must involve at least one SA entity.
2. Legal Advisers that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement, if necessary by reference to one or several of the principals.
3. The full value of each deal must be confirmed by the client or appear on documentation provided. If confidential, the value will be treated as such, and used only for ranking purposes.
4. Where advisers act on both sides of the deal, the deal will be brought to account only once.
5. So as to achieve fairness, rankings are recorded in two fields:
   Deal Value
   Deal Flow (activity, or the number of deals)
6. Where discrepancies occur in the deal values claimed, Deal**Makers** reserves the right to challenge these if necessary, by requesting clarity from the principals where this is appropriate. Changes in the prices at which deals are transacted will be adjusted when the annual rankings are computed.
7. Sale of properties by property companies under a value of R350m will be recorded, but not used for ranking purposes.
8. Foreign deals will only be credited for deal flow ranking purposes if documents provided show sufficient workflow (eg: local competition clearance).
9. Deals that are subsequently cancelled, withdrawn or which are deemed to have failed will not be included for ranking purposes. They will be recorded, nevertheless, for record purposes.
10. All deals are checked by Deal**Makers**; any discrepancies that arise will be queried.
11. All entities involved in deal-making are asked to sign off a summary document prepared by Deal**Makers** to ensure that no clerical errors have occurred. No response will indicate acceptance.
12. When there is a merger between two service providers, the merged entity may elect to include as part of the annual rankings one or the other party's transactions prior to the merger (but not both).
13. Deals/transactions executed in the normal course of business: Activity undertaken by companies in the normal course of their business will not be recognised by Deal**Makers** for inclusion in the ranking tables.
14. **Complaints/queries/objections:**
   These must be lodged with Deal**Makers** not later than the end of the next following quarter, so in respect of Q1, by the end of Q3. In respect of Q4, these must be lodged by the close of business at the end of the third week of January, i.e. by Jan 21 or the closest business day.
15. Deal**Makers** does not accept responsibility for any errors or omissions.

SHARE ISSUES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
					INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Private Placement	Kore Potash plc	General Mining	87 503 183	$0,014		Questco; SP Angel Corporate Finance; Shore Capital			$1,22m	Jul 1
Private Placement	Orion Minerals	General Mining	479 509 997	R0,18/A$0,015		Merchantec Capital			A$7,2m	Jul 1
Specific Issue	Tongaat Hulett	Sugar	4 864 887 494	R1,01		PSG Capital			R4,89bn	Jul 2
Accelerated Bookbuild	Orion Minerals	General Mining	333 333 333	R0,18/A$0,015		Merchantec Capital			A$5m	Jul 5
Specific Issue	Marula Mining	General Mining	3 000 000	£0,10	Cairn Financial Advisers	AcaciaCap Advisors; Peterhouse Capital			£3m	Jul 10
Rights Offer	Pick n Pay Stores	Food Retailers & Wholesalers	252 206 809	R15,86	Absa CIB; Rand Merchant Bank; Standard Bank	Rand Merchant Bank	Bowmans; Webber Wentzel; Milbank; Linklaters	EY	R4bn	Jul 10
Accelerated Bookbuild	Sirius Real Estate	Real Estate Holding & Development	159 574 468	£0,94	PSG Capital; Berenberg; Peel Hunt; Panmure Liberum	PSG Capital; Berenberg			£150m	Jul 10
Retail Offer	Sirius Real Estate	Real Estate Holding & Development	2 659 574	£0,94	PSG Capital; Berenberg; Peel Hunt; Panmure Liberum	PSG Capital; Berenberg			£2,5m	Jul 12
Share Purchase Plan	Orion Minerals	General Mining	240 000 000	R0,18/A$0,015		Merchantec Capital			A$3,6m	Jul 26
Specific Issue	Orion Minerals	General Mining	23 675 000	R0,18/A$0,015		Merchantec Capital			A$355 125	Jul 30
Specific Issue	Mantengu Mining	AltX - Industrial	3 285 997	R1,21 and R1,38		Merchantec Capital			R5,06m	Aug 1
Specific Issue	Marula Mining	General Mining	5 000 000	£0,10	Cairn Financial Advisers	AcaciaCap Advisors; Peterhouse Capital			£500 000	Aug 5
Specific Issue	Kibo Energy	AltX - General Mining	2 380 952 381	£0,000084	River Group	River Group			£200 000	Aug 6
Specific Issue	Neo Energy Metals	Open End and Miscellaneous Investment Vehicles	to be advised	to be advised	AcaciaCap Advisors				R200m	Aug 13
Specific Issue	Nampak	Containers & Packaging	148 572	R87,50		PSG Capital		PwC; BDO	R13m	Aug 14
Specific Issue (Cap Award)	Lighthouse Properties	Real Estate Holding & Development	41 972 049	R7,76	Java Capital	Java Capital			R325,7m	Aug 16
Private Placement	Kore Potash plc	General Mining	4 299 454	$0,014		Questco; SP Angel Corporate Finance; Shore Capital			$60 000	Aug 23
Specific Issue	MC Mining	Coal	62 102 002	$0,2089	Ares Capital	BSM Sponsors	Falcon & Hume; Webber Wentzel; K&K Gates; Clayton Utz; Morgan, Lewis and Bockius	KPMG (Hong Kong)	$12,97m	Aug 29
Specific Issue (Cap Award)	NEPI Rockcastle	Real Estate Holding & Development	9 806 671	R141,26		Java Capital			R1,38bn	Sep 3
Specific Issue	Trustco	Specialty Finance	4 936 193	R0,36		Vunani Sponsors; Simonis Storm Securities; J.P Galda & Co			R1,78m	Sep 5
Accelerated Bookbuild	Vukile Property Fund	Retail REITs	88 200 000	R17,00	Investec Bank	Investec Bank; Java Capital; IJG Securities	DLA Piper South Africa		R1,5bn	Sep 9
Specific Issue	AngloGold Ashanti	Gold Mining	82 711 292	$28,80					$2,38bn	Sep 10
Private Placement (IPO)	AltVest Capital	AltX - Diversified Financial Services	1,000,000 ords, 1,619,224 A, 409,695 B, 1,339,416 C	R6,50/R1,80/ R11,00/R3,20	Easy Equities; Questco	Questco	RDKM Advisory	BDO	R18,2m	Sep 10
Vendor Placement	Spear REIT	Diversified REITs	50 302 197	R9,10	PSG Capital	PSG Capital			R457,8m	Sep 16
Accelerated Bookbuild	Lighthouse Properties	Real Estate Holding & Development	127 388 535	R7,85	Java Capital	Java Capital			R1bn	Sep 19
Private Placement	Powerfleet	Computer Services	20 000 000	$3,50	Rand Merchant Bank; William Blair & Company; Craig Hallum Capital; Roth Capital Partners; Barrington Research Associates	Java Capital			$70m	Sep 19
Specific Issue	Powerfleet	Computer Services	4 285 714	$3,50		Java Capital			$15m	Sep 19
Specific Issue	Orion Minerals	General Mining	768 115	A$0,0138		Merchantec Capital			A$10 600	Sep 23

* Investment Advisers include Financial Advisers and others claiming this category

GENERAL CORPORATE FINANCE Q3 2024

SHARE REPURCHASES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
General Repurchase	Acsion	Real Estate Holding & Development	11 297	ave R6,12					R69 138	Jul 12
General Repurchase	Netcare	Healthcare	49 948 660	ave R11,70	Nedbank CIB	Nedbank CIB			R584,3m	Jul 19
General Repurchase	JSE	Investment Services	522 109	ave R89.61					R46,79m	Aug 7
General Repurchase	Spur Corporation	Restaurants & Bars	248 661	R28,02					R6,97m	Aug 21
General Repurchase	Santova	Marine Transportation	1 614 215	R7,57	River Group	River Group			R12,2m	Aug 23
General Repurchase	Stadio	Education Services	3 000 000	ave R5,00		PSG Capital			R15m	Aug 26
General Repurchase	Brimstone Investment	Open End and Miscellaneous Investment Vehicles	1 000 000	ave R5,50					R5,5m	Aug 27
General Repurchase	Master Drilling	General Mining	935 194	ave R11,96					R11,18m	Aug 27
General Repurchase	Impala Platinum	Platinum & Precious Metals	4 345 413	R97,35					R423m	Aug 29
General Repurchase	Shoprite	Food Retailers & Wholesalers	215 172	R229,93					R49,5m	Sep 3
General Repurchase	Cashbuild	Home Improvement Retailers	397 787	R143,50					R57,1m	Sep 4
General Repurchase	City Lodge Hotels	Hotels & Motels	11 397 972	ave R4,37					R49,81m	Sep 6
General Repurchase	Sun International	Casinos and Gambling	3 871 138	ave R36,54					R141,45m	Sep 9
General Repurchase	Attacq	Diversified REITs	5 352 955	ave R9,35					R50m	Sep 10
General Repurchase	Super Group	Transportation Services	1 000 000	ave R34,60					R34,6m	Sep 11
General Repurchase	Metrofile	Professional Business Support Services	1 480 000	ave R2,97					R4,4m	Sep 16
General Repurchase	Remgro	Diversified Financial Services	4 701 343	ave R154,40					R725,9m	Sep 19
General Repurchase	Grand Parade Investments	Diversified Financial Services	3 195 100	ave R3,30		PSG Capital			R10,56m	Sep 23
General Repurchase	South32	General Mining	1 380 808	A$3,18 - A$3,45		Standard Bank			A$4,51m	over 3rd quarter
General Repurchase	Tharisa plc	General Mining	3 400 888	ave R19,18/£0,82		Investec Bank; Peel Hunt; BMO Capital Markets; Berenberg			R64,32m	over 3rd quarter
General Repurchase	Prosus	Consumer Digital Services	41 798 511	ave €32,81	Goldman Sachs (SA); Morgan Stanley (SA); Goldman Sachs Bank Europe SE; Morgan Stanley Bank Europe SE	Investec Bank	Webber Wentzel; Allen & Overy (Dutch); Paul, Weiss, Rifkind, Wharton & Garrison (Hong Kong)		€1,37bn	over 3rd quarter
General Repurchase	Naspers	Consumer Digital Services	3 307 724	ave R3 566	Goldman Sachs (SA); Morgan Stanley (SA); Goldman Sachs Bank Europe SE; Morgan Stanley Bank Europe SE	Investec Bank	Webber Wentzel; Allen & Overy (Dutch); Paul, Weiss, Rifkind, Wharton & Garrison (Hong Kong)		R11,77bn	over 3rd quarter
General Repurchase	British American Tobacco	Tobacco	6 829 816	ave £27,21	Goldman Sachs International	Merrill Lynch (SA)			£181,62m	over 3rd quarter
General Repurchase	Oasis Crescent Property Fund	AltX - Retail REITs	490 292	ave R19,50		PSG Capital			R9,56m	over 3rd quarter
General Repurchase	PSG Financial Services	Diversified Financial Services	4 125 137	ave R17,70		PSG Capital			R73m	over 3rd quarter
General Repurchase	Deneb Investments	Diversified Financial Services	20 322	ave R2,30		PSG Capital			R46 741	over 3rd quarter

* **Investment Advisers include Financial Advisers and others claiming this category**

GENERAL CORPORATE FINANCE Q3 2024

UNBUNDLINGS

COMPANY	SECTOR	ASSET UNBUNDLED	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
RMB Holdings	Diversified Financial Services	special dividend of 3,75 cents per share		BSM Sponsors			R5,22m	Jul 18
Coronation Fund Managers	Asset Managers and Custodians	special dividend of 153 cents per share		Valeo Capital			R534,9m	Aug 19
Italtile	Home Improvement Retailers	special dividend of 78 cents per share					R1,03bn	Aug 26
PPC	Cement	special dividend of 33,5 cents per share		Questco			R520,5m	Aug 28
AVI	Food Products	special dividend of 280c per share					R926,2m	Sep 9
OUTsurance	Property & Casualty Insurance	special dividend of 40 cents per share		Rand Merchant Bank			R611,9m	Sep 17

MAJOR OPEN MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Open Market Disposal	Encha Properties Equity Investments	Retail REITs	52 881 466 Vukile Property Fund shares at R15,50 per share	Investec Bank	Investec Bank; Java Capital			R819,7m	Jul 11
Open Market Disposal	Sabvest Capital	Asset Managers and Custodians	1 960 680 We Buy Car shares					R45,1m	Aug 21
Open Market Disposal	Anglo American	General Mining	13 940 000 (5,3% stake) Anglo American Platinum shares at R515,00 per share	Rand Merchant Bank; Goldman Sachs (SA); Morgan Stanley (SA); Goldman Sachs International; Morgan Stanley & Co	Rand Merchant Bank	Webber Wentzel		R7,18bn	Sep 10
Open Market Disposal	Goldrush	Preference Shares	505 358 Astoria Investments shares in exchange for Goldrush preference shares on a 1-for-1 basis	Regarding Capital Management	Questco			R4,55m	Sep 26
Open Market Disposal	Lighthouse Properties	Real Estate Holding & Development	335 164 159 Hammerson plc shares	Java Capital	Java Capital			R2,22bn	over 3rd quarter

OFF MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Off Market Disposal	Texton Property Fund	Office REITs	stake in Blackstone Real Estate Income Trust iCapital Offshore Access Fund	Investec Bank	Investec Bank			R110m	Jul 3
Off Market Disposal	Grand Parade Investments	Diversified Financial Services	8 310 834 GPI shares at R3,39 per share GPI Women's BBBEE Empowerment Trust	PSG Capital	PSG Capital	Cliffe Dekker Hofmeyr	Moore	R28,17m	Aug 6
Off Market Acquisition	Brimstone Investment	Open End and Miscellaneous Investment Vehicles	1 587 302 FPG shares (1,4% stake)	Nedbank CIB	Nedbank CIB		Moore	R50m	Sep 12

* Investment Advisers include Financial Advisers and others claiming this category

COMINGS & GOINGS

LISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
JSE Listing	AltVest Capital	AltX - Diversified Financial Services	Sep 10 2024	Oct 14 2024
JSE Listing	Boxer	to be advised	Feb 22 2024	to be advised

DELISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	SUSPENSION DATE	TERMINATION DATE	COMMENT
JSE Delisting (liquidation)	Afristrat Investment	Diversified Financial Services	Jun 20 2024	Aug 5 2022	Jul 1 2024	JSE listing requirements | Liquidation
CTSE Delisting	AltVest Capital	Investment Holdings	Sep 10 2024	Oct 9 2024	Oct 11 2024	Listing on JSE AltX
CTSE Delisting	Assupol	Life Insurance	Feb 2 2024	Oct 2 2024	Oct 8 2024	Scheme of arrangement (Sanlam)
JSE Delisting	Basil Read	Heavy Construction	Jun 28 2024	Jun 20 2018	Jul 8 2024	Subsidiary - Basil Read Limited in voluntary business rescue (Jun 15 2018)
JSE Delisting (failed)	Bell Equipment	Commercial Vehicles & Parts	Jul 15 2024	n/a	n/a	Scheme of arrangement (IA Bell and Company) | Not approved by shareholders
JSE Delisting (deferred)	Brikor	AltX - Building Materials: Other	Jul 3 2024	n/a	n/a	termination of the Share Incentive Scheme Trust to be finalised before a bank guarantee for a scheme can be issued
JSE Delisting	Buka Investments	AltX - Personal Products	Feb 24 2023	Feb 24 2023	Sep 4 2024	JSE listing requirements - cash shell
JSE Delisting	Deutsche Konsum REIT-AG	Real Estate Investment Trusts	Mar 26 2024	to be advised	to be advised	Voluntary termination - lack of growth in South African market
JSE Delisting	Grindrod Shipping	Marine Transportation	May 14 2024	Aug 16 2024	Aug 30 2024	Selective Capital Reduction
JSE Delisting (possible)	MC Mining	Coal	May 24 2024	to be advised	to be advised	Mandatory offer (Goldway Capital Investment)
JSE Delisting	Sasfin	Investment Services	Jul 15 2024	to be advised	to be advised	Scheme of arrangement (Sasfin Wealth)
CTSE Delisting	Thibault REIT	Real Estate	Jun 11 2024	Jul 8 2024	Jul 9 2024	100% purchase by Heriot REIT

SUSPENSIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
African Dawn Capital	AltX - Consumer Lending	Jul 18 2024	Jul 18 2024	JSE listing requirements: financial statements
Afristrat Investment	Diversified Financial Services	Aug 5 2022	Aug 5 2022	JSE listing requirements: annual report. Delisted Jul 1 2024
aReit Prop	Diversified REITs	Jun 3 2024	Jun 3 2024	JSE listing requirements: financial statements
Basil Read	Heavy Construction	Jun 20 2018	Jun 20 2018	Subsidiary - Basil Read Limited in voluntary business rescue (Jun 15 2018). Delisted Jul 8 2024
Buka Investments	AltX - Personal Products	Feb 24 2023	Feb 24 2023	JSE listing requirements: cash shell. Delisted Sept 4 2024
Chrometco	AltX - General Mining	Jul 18 2022	Jul 18 2022	Listing requirements: financial statements
Conduit Capital	Full Line Insurance	Sep 21 2022	Sep 21 2022	Request of directors - subsidiary - Constantia Insurance Company placed in provisional liquidation
Efora Energy	Integrated Oil & Gas	Oct 12 2020	Oct 12 2020	JSE listing requirements: financial statements. Trade resumed Sep 30 2024
Ellies	Electrical Components	Apr 22 2024	Apr 22 2024	Voluntary business rescue unsuccessful - liquidation to be actioned

SUSPENSIONS (Continued)

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
Kibo Energy	AltX - General Mining	Jul 1 2024	Jul 1 2024	JSE listing requirements: financial statements
Labat Africa	Venture Capital - Transportation Services	Oct 24 2023	Nov 24 2023	JSE listing requirements: financial statements
PSV	AltX - Machinery: Industrial	Sep 1 2020	Sep 1 2020	JSE listing requirements: failure to submit prov report. Placed into BRP March 16 2020. BRPs have applied for liquidation
Rebosis Property Fund	Retail REITs	Aug 26 2022	Aug 6 2022	Voluntary Business Rescue - Aug 24 2022
Salungano Group	Coal	Aug 21 2023	Aug 21 2023	JSE listing requirements: financial statements
Soapstone Investments	AltX - Diamonds & Gemstones	Nov 21 2016	Nov 18 2016	Suspension of Diamondcorp - Guarantor on Notes
Tongaat Hulett	Sugar	Jul 19 2022	Jul 20 2022	JSE listing requirements. BRP announced Oct 27 2022

LIQUIDATIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
allaboutXpert Australia (Adcorp)	Business Training & Employment Agencies	Dec 14 2022	Placed into voluntary administration on Dec 12 2022
Constantia Insurance Company (Conduit Capital)	Full Line Insurance	Sep 14 2022	Provisional liquidation order granted Sep 13 2022. Suspended Sep 21 2022
Ellies Holdings	Electrical Components	Jan 31 2024	Voluntary business rescue unsuccesful. Liquidation to proceed. Suspended Apr 22 2024
MV Fire Protection Services (previously Jasco Security and Fire Solutions) [Jasco]	Computer Services	Oct 19 2022	Placed in liquidation by Jasco Electronics
PSV	AltX - Machinery: Industrial	Apr 16 2024	Business rescue unsuccessful. Provisional liquidation proceeding Apr 16 2024. Suspended Sept 1 2020

BUSINESS RESCUE PROCEEDINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
Autozone	not listed	Jul 8 2024	Piers Michael Marsden and Jenna Lee Osborne appointed as BRPs
Birca Copper and Metals	not listed	Aug 7 2024	Thomas Samons appointed as BRP
Frame Leisure Trading (Cross Trainer)	not listed	Aug 18 2024	George Nell appointed as BRP
Minerals Sands Resources	not listed	Aug 6 2024	Warren Castle appointed as BRP

FOREIGN DELISTINGS

COMPANY	SECTOR	TYPE	COUNTRY	ANNOUNCEMENT DATE	EFFECTIVE DATE
Oando Plc	Oil Refining and Marketing	Primary	Nigeria (NGX)	Jun 23 2022	to be advised
Powerfleet	Telecommunications Equipment	Secondary	Israel (TASE)	May 31 2024	Aug 29 2024

ADMINISTRATIVE MATTERS

NAME CHANGES

COMPANY	NEW NAME	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Chrometco	Sail Mining Group	AltX - General Mining	Aug 28 2024	Oct 23 2024
RECM and Calibre	Goldrush	Preference Shares	Jul 24 2024	Aug 14 2024
Transaction Capital	Nutun Group	Consumer Lending	Sep 27 2024	to be advised

INCREASE IN AUTHORISED SHARE CAPITAL

COMPANY	SECTOR	NO OF SHARES	PRICE PER SHARE	AUTHORISED CAPITAL	ANNOUNCEMENT DATE
Pick n Pay Stores	Food Retailers & Wholesalers	9 200 000 000	no par	10 000 000 000	Jul 12 2024
Pick n Pay Stores	Food Retailers & Wholesalers	4 300 000 000 B	no par	5 300 000 000 B	Jul 12 2024

PROFIT WARNINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE
AECI	Specialty Chemicals	Jul 24
African and Overseas Enterprises	Apparel Retailers	Sep 26
African Rainbow Minerals	General Mining	Aug 23
Anglo American Platinum	Platinum & Precious Metals	Jul 18
ArcelorMittal South Africa	Iron & Steel	Jul 2
Aveng	Heavy Construction	Aug 12
Cashbuild	Home Improvement Retailers	Aug 22
Choppies Enterprises	Food Retailers & Wholesalers	Sep 18
Clientèle	Life Insurance	Sep 6
Clientèle	Life Insurance	Sep 19
Combined Motor Holdings	Specialty Retailers	Sep 26
Efora Energy	Integrated Oil & Gas	Jul 25
Exxaro Resources	Coal	Aug 8
Gemfields	Diamonds & Gemstones	Sep 25
Gold Fields	Gold Mining	Aug 8
Hulamin	Aluminium	Aug 6
Hyprop Investments	Retail REITs	Sep 11
Impala Platinum	Platinum & Precious Metals	Aug 7
Insimbi Industrial	Nonferrous Metals	Aug 27
Italtile	Home Improvement Retailers	Aug 12
KAP	Diversified Industrials	Aug 16
Kumba Iron Ore	Iron & Steel	Jul 18
Master Drilling	General Mining	Aug 16

COMPANY	SECTOR	ANNOUNCEMENT DATE
Merafe Resources	General Mining	Jul 30
Metair Investments	Auto Parts	Sep 18
Metrofile	Business Support Services	Aug 29
Mpact	Containers & Packaging	Jul 22
MTN Group	Telecommunications Services	Aug 7
Murray & Roberts	Engineering and Contracting Services	Aug 28
Mustek	Computer Hardware	Sep 11
Mustek (update)	Computer Hardware	Sep 19
Northam Platinum	Platinum & Precious Metals	Aug 14
Putprop	Real Estate Holding & Development	Aug 23
Randgold & Exploration	Gold Mining	Aug 21
Rex Trueform	Apparel Retailers	Sep 26
Sasol	Chemicals: Diversified	Aug 12
Sea Harvest	Farming Fishing Ranching & Plantations	Jul 26
Sebata	Computer Services	Jul 26
Sibanye Stillwater	Platinum & Precious Metals	Sep 2
Super Group	Transportation Services	Aug 12
Texton Property Fund	Office REITs	Sep 17
Trencor	Transportation Services	Jul 16
Truworths International	Apparel Retailers	Aug 30
Woolworths	Diversified Retailers	Jul 31

CAUTIONARIES Q3

COMPANY	FIRST CAUTIONARY	NO OF SUBSEQUENT CAUTIONARIES	ANNOUNCEMENT	TERMINATED
African Dawn Capital	26.9.2024		suspended 18/7/2024	
Afristrat Investment	12.5.2022	17	suspended 5/8/2022	
Barloworld	15.4.2024	3		
Brikor	3.7.2024			15.8.2024
Burstone	12.7.2024	1	2.9.2024	
Choppies Enterprises	19.6.2024		13.9.2024	
Cilo Cybin	1.7.2024	2		
Chrometco	13.6.2022	20	suspended 18/7/2022	
Conduit Capital	21.6.2022	20	suspended 21/9/2022	
Ellies	31.1.2024	2	applied for BR 31/1/2024	
Europa Metals	17.9.2024			
Finbond	30.8.2024			
MAS	9.7.2024			22.8.2024
PSV Holdings	26.2.2020	42	suspended 1/9/2020	
Pick n Pay Stores	22.2.2024	3	11.7.2024	
Salungano	25.8.2023	10	suspended 21/8/2023	
Sasfin	15.7.2024		27.8.2024	
The Spar Group	12.6.2024	1	4.9.2024	
TeleMasters	4.7.2024	2		
Tongaat Hulett	19.4.2022	26	suspended 19/7/2022	
Transaction Capital	5.9.2024	1		
Trematon Capital Investments	5.7.2024		6.8.2024	
Trematon Capital Investments	20.8.2024		9.9.2024	
Trustco	23.4.2024		11.7.2024	
Vunani	31.5.2024	2		

DEALS THAT DIDN'T

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Disposal by	Sebata to Inzalo Capital	55% stake in each of USC Metering and Amanzi Meters (the Water Group) and a 5% donation of the total issued share capital in each	R388,48m	Aug 20 2019
Disposal by	Sebata to Inzalo Capital	55% stake in each of the companies comprising Software Group and a further 5% donation	R501,9m	Feb 25 2020
Disposal by	TWK Investments	Roofspace Rental Group	undisclosed	Feb 28 2023
Acquisition by	ACN Capital IHC-led consortium (Dendrobium Capital, Emfam Beleggings, Kingston Kapitaal and The JVDM Trust) from minority shareholders	remaining 57,5% stake in Ascendis Health (363 931 281 shares) not held by the consortium	R245m	Nov 28 2023
Acquisition by	Mantengu Mining from Birca Investments (JJ Brummer, C Hoepner and Smit Family Trust) and SA Metals and Fossils (M Pienaar)	Birca Copper and Metals	R29,89m	May 13 2024
Disposal by	Accelerate Property Fund to QSPACE (H Zolty)	Cherry Lane Shopping Centre at 471 Fehrsen Street, Pretoria	R57m	Jun 11 2024
Acquisition by	Vision Investments from Business Rescue process	Tongaat Hulett	to be advised	Jul 11 2024
Acquisition by	IA Bell from Bell Equipment minorities	remaining 15,05% stake (14 387 163 shares) in Bell Equipment [excluding certain shareholders representing 14,82%]	R762,5m	Jul 15 2024

DealMakers 25

Individual DealMaker of the Year 2024

The award will be unveiled at the Annual Awards on February 18, 2025.

This year will be the 17th year in which this award will be made to an individual judged by his/her peers and the Independent Selection Panel, to have provided an exemplary and outstanding service to the industry.

DealMakers' Advisory Board knows that this award may be controversial but has concluded that individuals are entitled to recognition for the services they provide to an expanding and vital element of the South African economy. This award is not confined solely to those who work for corporate finance firms or units.

Companies and units are asked to nominate individuals from their own firm by way of detailed motivations. For each individual nominated from their own team, firms must nominate a peer within the M&A industry. From these nominations the Independent Selection Panel produces a short list. Biographical information on each candidate, along with the formal nominations, is collated for the Panel.

The closing date and time for nominations is **12h00 on Friday, November 22, 2024.**

There will be no extensions.

The announced Individual DealMaker of the Year will receive a framed certificate, a one-ounce platinum/ gold medal especially minted for the occasion, and a floating trophy appropriately inscribed.

INDIVIDUALS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Individual DealMaker of the Year

- **High profile deals/transactions** – that the DealMaker was involved in, particularly in the last year but also the last three.
- **DealMaker's contribution to the deals** – How important was the individual's contribution to the structure and conclusion of the deals?
- **Execution complexity** – the deal/s in which the individual is involved - does the overall deal or transaction involve multiple steps/a number of smaller inter-related deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/ transaction exhibit innovative structuring?
- **Peer recognition** – is the DealMaker well regarded by fellow advisors, clients and the industry in general?

Please submit all nominations to marylou@gleason.co.za by 12h00 on Friday, November 22, 2024.

ANSARADA
DealMakers
ANNUAL GALA AWARDS
18 February 2025

DealMakers 25

Deal of the Year 2024

The award will be unveiled at the Annual Awards on February 18, 2025.

This will mark the 24th year the title of Deal of the Year has been awarded.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2024 CALENDAR YEAR (the deal does not necessarily have to have closed).** The DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 22, 2024.** There will be no extensions.

If qualifying deals will only be announced after the closing date, DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 20, 2024.**

The Deal of the Year will receive a framed certificate, a one-ounce platinum/gold medal especially minted for the occasion, and a floating trophy appropriately inscribed.

NOMINATIONS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Deal of the Year – (by a South African company)

- **Transformational transaction –** does the deal or transaction transform the business or even the industry in which it operates? What is the extent of potential transformation as a result?

- **Execution complexity –** does the overall deal or transaction involve multiple steps/a number of smaller interrelated deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/transaction exhibit innovative structuring?

- **Deal size –** not an over-riding determinant but a significant factor.

- **Potential value creation –** to what extent could shareholders and other stakeholders benefit from the transaction over time?

Please submit all nominations to marylou@gleason.co.za by 12h00 on Friday, November 22, 2024.

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ANNUAL GALA AWARDS
18 February 2025

DealMakers 25

Catalyst Private Equity Deal of the Year 2024

The award will be unveiled at the Annual Awards on February 18, 2025.

This year will be the 20th award for the Catalyst Private Equity Deal of the Year.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2024 CALENDAR YEAR (the deal does not necessarily have to have closed).** The DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 22, 2024.** There will be no extensions.

If qualifying deals will only be announced after the closing date, DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 20, 2024.**

The Catalyst Private Equity Deal of the Year will receive a framed certificate, a one-ounce platinum/gold medal especially minted for the occasion, and a floating trophy appropriately inscribed.

NOMINATIONS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Private Equity Deal of the Year

- **Asset with good private equity characteristics –** 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? 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 exits.

- **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?

Please submit all nominations to marylou@gleason.co.za by 12h00 on Friday, November 22, 2024.

ANSARADA DealMakers

ANNUAL GALA AWARDS

18 February 2025

DealMakers 25

BEE Deal of the Year 2024

The award will be unveiled at the Annual Awards on February 18, 2025.

This year will be the 6th year in which the BEE Deal of the Year will be made.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2024 CALENDAR YEAR (the deal does not necessarily have to have closed).** For the BEE Deal of the Year, the DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 22, 2024.** There will be no extensions.

If qualifying deals will only be announced after the closing date, DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 20, 2024.**

The BEE Deal of the Year will receive a framed certificate, a one-ounce platinum/gold medal especially minted for the occasion, and a floating trophy appropriately inscribed.

NOMINATIONS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

BEE Deal of the Year

- **Transformational transaction –** does the deal or transaction transform the business or even the industry in which it operates? What is the extent of potential transformation as a result?

- **Execution complexity –** does the overall deal or transaction involve multiple steps/a number of smaller interrelated deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/transaction exhibit innovative structuring?

- **Deal size –** not an over-riding determinant but a significant factor.

- **Potential value creation –** to what extent could shareholders and other stakeholders benefit from the transaction over time?

Please submit all nominations to marylou@gleason.co.za by 12h00 on Friday, November 22, 2024.

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ANNUAL GALA AWARDS

18 February 2025

DealMakers 25

Business Rescue Transaction of the Year 2024

The award will be unveiled at the Annual Awards on February 18, 2025.

This year will be the 5th year such an award is made in the category of Business Rescue Transaction of the Year.

Deals will be nominated for inclusion by way of detailed nominations submitted by the firms involved. **THE SUCCESSFUL CONCLUSION OF THE BR PROCESS MUST HAVE BEEN ANNOUNCED DURING THE 2024 CALENDAR YEAR.** The DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 22, 2024.** There will be no extensions.

If qualifying transactions will only be announced after the closing date, DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 20, 2024.**

The Business Rescue Transaction of the Year will receive a framed certificate, a one-ounce platinum/gold medal especially minted for the occasion, and a floating trophy appropriately inscribed.

NOMINATIONS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Business Rescue Transaction of the Year

- **Execution complexity –** nature of the BR process (restructure, sale of assets etc.) If assets sold, was it as a whole or broken up and sold off in parts? Were there numerous parties/multiple bids involved? What criteria was used to achieve the ultimate outcome? Did it involve many and/or complex regulatory approvals?

- **Transformational transaction –** did the transaction save the business or even the industry in which it operates? Did the transaction strike a balance between divergent and competing interests? To what degree were the various stakeholders accommodated?

- **Time frame –** was the process successfully completed within an acceptable time **frame?**

- **What were the positive take aways from the transaction?**

Please submit all nominations to marylou@gleason.co.za by 12h00 on Friday, November 22, 2024.

ANSARADA DealMakers

ANNUAL GALA AWARDS

18 February 2025

M&A trends: South Africa is going through a profound transformation

Tholinhlanhla Gcabashe

Cathy Truter

M&A activity was tepid in South Africa (SA) in the first half of 2024, which proved to be a challenging business environment, though it did not stop buyers from pursuing opportunities where they saw value.

However, SA is undergoing a profound transformation. After the general election, the formation of a Government of National Unity (GNU) has ignited a wave of optimism. This has coincided with an environment where inflation has begun receding, interest rates have been reduced, and efforts in the energy sector have started to bear fruit. The longest uninterrupted period without load-shedding since 2020 has sparked predictions of additional growth.

Progress has been made in addressing economic challenges through the intentional drive of government-private sector collaboration, with improvements in electricity supply and freight rail and port operations. Significant contributions have been made by the private sector, including financial support, technical expertise and CEO pledges.

Operation Vulindlela, which aims to create a more conducive environment for investment and development, has successfully completed almost all of its initial reforms, including the auction of digital spectrum, regulatory changes for private electricity generation, and improvements in water licences, rail, ports and visa regimes.

These changes are collectively anticipated to spur a recovery in M&A activity over the remainder of the year.

Artificial intelligence (AI)

The focus on AI in M&A discussions has been notable, and economists differ on its ultimate impact on economies and equity capital markets. Some say AI will amplify the division between the first world (which will benefit from increased productivity and innovation) and emerging economies, which are constrained by infrastructure challenges, less research and development (R&D), and slow diffusion.

Others argue that AI will be the ultimate equaliser, enabling emerging economies to capitalise on younger populations, with fewer barriers to social acceptance and the injection of supplemental skills.

All agree that it will lead to disruption and opportunities. Whether this plays out through corporate diversification and other hedging strategies, restructurings or simplification remains to be seen.

From a transactional perspective, companies are starting to negotiate the allocation of risk, particularly regarding data, AI governance and compliance.

Foreign direct investment (FDI)

Notwithstanding some of the more recent disposals, there has been evidence of inbound M&A activity with foreign companies looking to invest in SA assets, reaffirming the country's position as an attractive market and strategic entry point into the continent.

A recent PwC[1] report indicated that net FDI into South Africa has been consistently positive since the global financial crisis (2007–2009). In 2023, FDI inflows into South Africa amounted to R96,5bn, equivalent to 1.4% of South Africa's GDP.

In other parts of Africa, there has been a notable uptick in FDI from countries like Saudi Arabia, the United Arab Emirates and Qatar.

International expansion

African companies are continuing to pursue international expansion for geographic diversification, fuelled by a recovering global economy and improved macroeconomic conditions.

Geographic expansion has its challenges, and corporates are assessing their strategies. According to KPMG's second quarter Global Economic Outlook[2], economists are predicting an adjustment to supply chains with corporates bringing production back to regions where products are sold, or countries with similar values. There are considerations pertaining to ongoing global disruption and political uncertainty as the year of elections continues.

Recent proposed reforms to SA exchange controls aim to encourage high-growth private equity (PE) funds and companies in technology, media, telecommunications, exploration and research and development (R&D) to establish offshore entities from a domestic base. It remains to be seen if these draft reforms will be implemented, and if they will have the desired effect.

Fund managers' reactions to recent regulatory changes empowering pension funds to independently invest offshore have, in some cases, dampened fund support of local companies' overseas ventures, now that they can make these investments themselves.

> Recent proposed reforms to SA exchange controls aim to encourage high-growth private equity (PE) funds and companies in technology, media, telecommunications, exploration and research and development (R&D) to establish offshore entities from a domestic base. It remains to be seen if these draft reforms will be implemented, and if they will have the desired effect.

African trade

The African Continental Free Trade Area (AfCFTA) is expected to further drive M&A activity from within Africa and globally. The World Bank predicts[3] AfCFTA will lead to an 80% increase in intra-regional trade, reaching US$450bn by 2035.

SA's first shipment and preferential trading under AfCFTA took place in January 2024. More than half of the African countries have ratified AfCFTA and are set to implement rules of origin soon.

Also notable is the United States' preliminary agreement with African nations to extend preferential trade access for another decade under the African Growth & Opportunities Act (Agoa), pending Congress approval. Agoa aims to allow over 30 African countries to continue exporting goods to the US market duty-free, focusing on increased manufactured exports and modernising the current trade accord. Also notable is the agreement between the US and SA to revive the bilateral trade and investment framework agreement and the expansion of BRICS.

Further trends

Restructuring to avert business distress and unlock value has been pervasive. Unbundlings and the divesting of non-core assets to streamline operations and reduce debt have increased.

The increase in significant shareholder-driven changes underscores the active role of investors in corporate governance, with increased scrutiny on executive pay and a rise in environmental, social and governance (ESG) activism playing out in the boardroom.

There is an increasingly programmatic approach to M&A, with companies regularly engaging in M&A as core to their growth strategies by pursuing a series of smaller to mid-sized acquisitions over time, instead of occasional large, transformative deals.

Opportunities for PE firms are emerging in infrastructure, energy and digital infrastructure, with PE expected to play a significant role in the M&A rebound, driven by a need to divest ageing assets and a substantial amount of available capital.

Success factors

Key deal success factors are linked to valuations, financing and the management of the regulatory environment (competition and sector-specific). There has been an uptick in ESG due diligence and warranties, and a greater focus on the negotiation of the transitional services agreement and interim period undertakings, and supply-side risk mitigation.

These developments bode well for a healthy investment environment in SA and across Africa in the future. ■

Gcabashe is Head of Corporate/M&A and Truter is Head of Knowledge| Bowmans South Africa.

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1 https://www.strategyand.pwc.com/a1/en/press-release/south-africa-economic-outlook-april-2024.html

2 https://assets.kpmg.com/content/dam/kpmg/za/pdf/2024/Global%20Economic%20Outlook.pdf

3 https://openknowledge.worldbank.org/server/api/core/bitstreams/ef1aa41f-60de-5bd2-a63e-75f2c3ff0f43/content

Contingent Value Rights: Bridging the valuation gap in public M&A

Vuyo Xegwana-Bandezi

Colin du Toit

Mncedisi Mpungose

South Africa is not immune to the global mergers and acquisitions (M&A) valuation gap between the price sellers are willing to accept and that which purchasers are willing to pay. In a stretched financing market and a strained broader global economy, one solution to the valuation gap may lie in implementing a contingent value right (CVR).

The boards of target companies and purchasers have long been divided on the appropriate valuation for a takeover of a target company. The target board seeks to maximise shareholder value and will be reluctant to sell in a downcycle when valuations are low, even if the price is reasonable, given the prevailing economic circumstances. The purchaser's board, on the other hand, will generally be looking to invest against the cycle or to merge for long-term strategic reasons, and is likely to be looking to do so at a time when the lower valuations favour its proposal or strategy. While the purchaser will likely be viewing the acquisition with a longer-term lens, it will nonetheless be concerned with overpaying in the downcycle, especially if the purchaser's valuation (and cash flow) is also adversely affected by the cycle. The converse is equally true at the upper end of an upcycle (e.g. tech stocks).

When it comes to M&A, this can lead to a marked difference between the purchaser's and seller's price expectations, particularly at the deep end of a downcycle or the peak of an upcycle. Looking at the downside case, certain target boards will reject offers that they believe are too low or opportunistic, while purchaser boards may be reluctant to stretch the offer price or even make an offer in these circumstances. Ultimately, the heart of the disconnect between them is that neither party can be exactly certain where in the cycle they are, or how soon and how sharply the cycle will reverse. Each party risks judging this incorrectly, with potentially significant adverse impacts on their respective financial outcomes. Aside from the numbers, there is also the human psychological factor – since criticism outweighs praise, where there is material uncertainty on the merits of a proposal, the natural bias of both boards (but especially the target board) is towards a 'safe', *status quo* decision, which usually favours saying 'no' to the deal, rather than 'yes'.

While various factors contribute to a widening valuation gap, the volatile political and macroeconomic environment in which we find ourselves is a significant factor. With over ten significant elections worldwide in 2024, as well as international upheaval due to ongoing wars in the Middle East and Ukraine, many deals hinge on the outcome of these uncertain geopolitical events.

The same is true for South Africa, where, aside from an uptick in M&A activity in 2021/2022, there has been a significant slowdown in the post-pandemic years. New listings are one measure of market activity and price confidence, commonly reflecting sell-side activity from private equity or a company positioning itself for acquisitive growth (and the corollary for delistings). South Africa has seen both an increase in delistings and a slowdown in new listings, accelerating in 2023 and 2024. On the political front, since the announcement of a Government of National Unity in June, South Africa has seen an uptick in investor confidence, with the JSE All Share Index returning 5.6% in Rand terms and 8.3% in US dollars, comfortably outperforming the S&P 500, the MSCI World Index, and emerging market peers. Yet, this has since slowed as the initial optimism has been tempered by the inevitable, but no less disappointing, teething issues that have emerged.

Considering these prevailing challenges, purchasers and sellers around the world are seeking different M&A strategies or looking to supplement existing approaches. For purchasers, these may include a strategy centred on direct engagement with key target shareholders in formulating their 'bear hug' price – an offer to buy a publicly listed company at a premium to 'fair value', or avenues such as CVRs to land on a price that will have clear shareholder support. With wide valuation gaps, more innovative deal structures are also being proposed, including the use of CVRs. A CVR is an instrument that commits purchasers to pay a target company's shareholders additional consideration for their shares based on a future contingency, in addition to the initial baseline purchase price paid to them (reflecting a conservative valuation). As the triggering contingency can be any event, and the resulting consideration is similarly flexible in both amount and nature, CVRs offer the parties a flexible, highly customisable solution to the unknowns and risks contributing to the relevant valuation gap.

A CVR can be structured and offered as a listed instrument tradeable on a securities exchange, or on a privately held basis (transferable or non-transferable). A listed CVR allows shareholders who have differing risk or time-value profiles to hold or exit their CVR to match their respective preferences.

CVRs can generally be categorised as either price protection or event-driven mechanisms. Price protection CVRs can be applied in an exchange offer to guarantee or underpin the value of the purchaser's shares that are issued as acquisition consideration in the transaction. This underpinning can take a variety of forms, including a top-up issue of shares (much like a payment-in-kind loan note), or a special dividend or series of dividends. Event-driven CVRs entail a commitment to pay additional consideration to the target shareholders, depending on the occurrence of future events. Typical examples include a value linked to future profits, the resolution of a material litigation claim, and profits realised from the on-sale of a specific asset or business of the target. The latter can be particularly relevant where the sell-side considers the asset to be significantly more valuable than the valuation attributed by the purchaser (e.g. a project in development) or where the asset is non-core to the purchaser or not one for which it is willing to pay an acquisition premium. The commonality among these scenarios is that the purchaser pays less upfront (and thus lowers the risk of its buy decision), and the seller exits with a reasonable, though not optimal price, but with an upside case should the factors which it feels justify a higher valuation come to pass (and thus lowers the risks of its decision to sell). Similar mechanisms, including earn-outs and/or deferred payment structures, are a staple of private M&A deals.

In some ways, a price protection CVR is similar to a Material Adverse Change (MAC) clause in an M&A deal, but focused on the purchaser and not the target. An event-driven CVR is the inverse of a MAC, with the triggering event being more focused on the upside rather than the downside. A MAC is a contractual mechanism that allows the purchaser to terminate the acquisition agreement and withdraw from the transaction if, before the deal is closed, a material adverse change occurs – one that has a significant, negative effect on the target's business, assets or profits. A CVR reflects a similar idea, but instead of being a contractual condition that allows the whole deal to collapse, it enables the deal to proceed, but to be adjusted later, based on the relevant event occurring or not occurring.

A CVR can be structured and offered as a listed instrument tradeable on a securities exchange, or on a privately held basis (transferable or non-transferable). A listed CVR allows shareholders who have differing risk or time-value profiles to hold or exit their CVR to match their respective preferences. The value and price of a CVR at any given time will depend on several factors, such as the probability of the event's occurrence by the expiration date, the remaining time to maturity (and thus payment), the performance and volatility of an underlying asset, and the risks of default and dispute.

While CVRs have increasingly been applied in mid- and small-cap life sciences and healthcare transactions in the United States, they are presently less common in the public M&A market in Europe. Although there has been a recent uptick in CVR negotiations in these markets, few have yet been implemented. We have not yet observed one being used in public transactions in South Africa.

Price considerations aside, a CVR will often also have to address two key considerations. The first is the risk of a dispute arising over whether the trigger event has occurred, or the extent to which it has occurred, and how such a dispute will be resolved. The second consideration is the degree of alignment (or misalignment or indifference) between the occurrence of the future event and the impact such an event will have on the purchaser. An earn-out style provision, for example, likely has a fair degree of alignment between the parties as it represents a win-win scenario for both. On the other hand, the successful resolution of a tax dispute may have no alignment, or even misalignment, between the parties, especially if the base acquisition price is already factored into the worse-case outcome or if the purchaser's ongoing relationship with tax authorities is placed at risk. In such instances, the CVR will need to include appropriate terms (such as an all-reasonable endeavours undertaking), or a specific mechanism (such as appointing a neutral party to have carriage of the dispute), to address this.

Not only can a CVR be used to bridge a typical buy/sell valuation gap linked to market cycles, but it can also be used to close a deal when the valuation itself has a significant inherent uncertainty or complexity. Some examples of this include where the valuation is significantly influenced by:

- the occurrence and value of an anticipated future disposal;
- the success of ongoing research and development activities (e.g. a breakthrough medicine at its trial stage);
- industry-specific events (e.g. regulatory reviews or approvals);
- impending potential legislative changes or the timing and form of their implementation (e.g. National Health Insurance, emission standards, required rehabilitation provisioning); and
- unresolved disputes or specific, but difficult to assess or quantify, risks with a wide range of potential outcomes (e.g. class action claims or significant tax disputes).

While, for many market participants, CVRs have mainly been a point of discussion rather than a done deal, increasing examples have been seen through to completion. We believe that a CVR can be an effective alternative mechanism for closing public M&A deals where valuation gaps exist or are dependent on specific, uncertain outcomes. Considering their flexibility, CVRs can be customised to best serve specific requirements of the deal, thereby helping to get more mutually beneficial deals over the line. ■

Xegwana-Bandezi is a Senior Associate and Du Toit and Mpungose are Partners | Webber Wentzel.

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Equity Capital Markets in South Africa: A resurgent force


Dave Sinclair


James Rowson


Masechaba Makhura

The South African Equity Capital Markets (ECM) landscape has witnessed a notable resurgence in 2024, marked by increased deal activity and a positive re-rating of equity prices. This has been primarily driven by a confluence of factors, including improving macroeconomic conditions, increased earnings expectations, favourable investor sentiment, and a pipeline of promising equity capital raises.

A year of growth and recovery

Despite the several challenges posed by the COVID-19 pandemic, high inflation and interest rates, loadshedding and grey listing, the JSE has rebounded in 2024, with the JSE All Share index delivering an absolute total return of 15.9% to 30 September. In 2024, the market has seen a surge in ECM activity, with 13 deals to 8 October totaling R33bn, and a pipeline of further deals expected before December close. This marks a significant improvement from previous years, with deal values in 2023, 2022 and 2021 reaching approximately R11bn, R33bn and R24bn, respectively.

Upward re-rating and secondary market activity

The upward re-rating of South African equities has created favourable conditions for both primary and secondary market activity. The MSCI South Africa index reported >15% absolute total return performance in USD for the last three months, making it one of the top performing world markets over the last quarter. At 12.5x 12-month forward consensus earnings, JSE All Share valuations are now only 5% below the 10-year average. Companies seeking to raise growth capital are leveraging the improved valuations to issue new shares. In addition, companies holding significant stakes in listed entities are finding opportunities to monetise their positions through secondary sell-downs.

Key catalysts for equity market performance

Several factors have contributed to the positive trajectory of the South African equity market:

- **Interest rate easing:** The Reserve Bank of South Africa (SARB) has recently adopted a relatively dovish stance, with a 25-basis point interest rate cut announced in September 2024. Market expectations point towards further reductions in November and the first quarter of 2025. The SARB cycle has often overlapped with the Federal Reserve (Fed) moves and, on average, cuts from the Fed have coincided with positive price performance from SA assets and equities generally outperforming bonds. We expect further positive price performance for South African assets, including equities.

- **Declining food inflation:** Food inflation, which reached a peak of 14% year-on-year in March 2023, has been on a downward trend, falling to 4.6% year-on-year in June 2024. Lower food inflation benefits low-income households and can stimulate real consumption growth.

- **Corporate cost-cutting:** Cost discipline and a general focus on shrinking overheads had been necessitated over the past five years in the face of the pandemic, followed by significant loadshedding. Combining top-line recovery with a leaner cost base supports an attractive earnings recovery story.

- **Investor confidence and reform agenda:** The outcome of the 2024 South African elections, which strengthened the reform agenda, has significantly boosted investor confidence. The newly formed Government of National Unity (GNU) has been well-received, contributing to the positive re-rating of equities and the reduction of a risk premium associated with potential political uncertainty. Still to come, it would appear, is a structural rebasing of the improved outlook for earnings and the country's growth and debt dynamics.

- **Increased weighting in MSCI Emerging Markets Index:** South Africa's weight in the MSCI Emerging Markets index has declined over the years. However, a positive reform agenda, coupled with improved GDP and earnings growth, could lead to an increase in the weighting. This could attract significant inflows from international investors.

A robust pipeline of listings

In this year, we have already seen the listings of WeBuyCars, Rainbow, Cilo Cybin and AltVest, with Boxer expected to list before the end of the calendar year.

There is also a promising pipeline of new listings in South Africa. Companies such as Coca Cola Beverages Africa, African Bank and Tyme Bank have publicly expressed their intentions to list in the near to medium-term. Furthermore, equity capital raises through placements and rights offers have been active, with a total of R34bn raised this year to date. Further activity is expected in the fourth quarter of this year as valuations continue to provide a compelling opportunity for equity capital raising.

Use of proceeds and investment case critical to successfully raising fresh capital

Notwithstanding the favourable backdrop supporting the current uptick in equity capital markets activity, investors participating in primary equity issuance still require a clear and well-articulated use of proceeds and a generally attractive investment case before participating in these transactions. Investors want to clearly understand how the equity capital raised will be utilised to ultimately drive growth and company outperformance to create value for shareholders. Consequently, the optimal capital raise mechanism and structure for a company looking to raise equity capital would need to take specific shareholder objectives into account, while optimising the company's capital structure and maximising value for all stakeholders.

> The South African equity capital markets have experienced a resurgence in 2024, driven by favourable macroeconomic conditions, investor confidence, and a robust pipeline of equity capital market activity. We expect this trend to continue into the near future.

The South African equity capital markets have experienced a resurgence in 2024, driven by favourable macroeconomic conditions, investor confidence, and a robust pipeline of equity capital market activity. We expect this trend to continue into the near future. ■

Sinclair, Rowson and Makhura, Equity Capital Markets team | Rand Merchant Bank.

RMB

Navigating seller risk in share-for-share transactions


David Hoffe


Tuelo Mokoka


Siyabonga Nyezi

There are various ways in which an acquirer can purchase a stake in a target company. The most common method is the payment of a cash amount by the acquirer to the seller, in exchange for the seller's shares. Other methods include asset-for-share and share-for-share transactions.

In a share-for-share transaction, the acquirer acquires the seller's shares and, in exchange, the seller receives shares in the acquirer. Share-for-share transactions offer various benefits to sellers and acquirers, including:

- potential upside for the seller if the acquirer's share value appreciates;
- tax efficiencies (Section 42 of the Income Tax Act makes provision for these transactions to be tax neutral);
- preservation of cash and debt capacity; and
- lower transaction costs.

Like any M&A deal, share-for-share transactions are not without risk. In recent years, there have been several high-profile deals which either collapsed or the sellers suffered significant losses.

In 2016, retail giant Steinhoff acquired footwear retailer, Tekkie Town.[1] In exchange for 58% of the shares in Tekkie Town, the founding shareholder received Steinhoff shares worth R1,85 bn. A year after the deal was concluded, Steinhoff imploded after its auditors discovered that it had been overstating its profits for over a decade. Following the revelation, Steinhoff's share price plummeted by more than 95%. Without oversimplifying, the impact was that each R1 worth of shares that the seller had received in the Tekkie Town deal was suddenly worth five cents.

This transaction highlights the risks that sellers are faced with in share-for-share transactions. Sellers need to be aware of the risks and take steps to protect themselves. Some of the ways to mitigate downside risk include due diligence, earn-out arrangements, warranties and indemnities, price adjustment mechanisms and escrow arrangements.

Due diligence

Before accepting shares in the acquirer as consideration, the seller must take steps to establish that it is receiving shares in a financially sound entity. It is vital for the seller to conduct some form of due diligence on the acquirer to get insights into the latter's affairs, on which the value of the acquirer's shares is premised.

Due diligence should focus on, among others, the financial statements, tax and legal affairs, governance, reputational issues, and any other factors that impact the value of the acquirer's shares.

Warranties and indemnities

Obtaining warranties and indemnities from the acquirer is another way for a seller to mitigate risk.

A warranty is a contractual assurance by one party – in this case, the acquirer – to another as to the true state of the affairs of the acquirer. If a warranty later turns out to be false, then the seller may have a claim against the acquirer. An indemnity is a promise by one party to hold the other party harmless in the event that a loss arises from a specific event.

To mitigate its risk, a seller may seek warranties and indemnities in respect of, among others, the accuracy and truthfulness of the acquirer's financial statements, tax compliance, and losses resulting from the conduct of the seller or its directors.

Shareholders in the 2014 Alviva deal saw a significant decline in the value of the shares they had received in the acquirer, when a director of the acquirer was implicated in a bribery case after the conclusion of the transaction.[2] Well drafted warranties and indemnities in respect of acquirer conduct can mitigate the seller's risk in such cases.

Earn-outs

The seller may negotiate an earn-out arrangement, in terms of which it will only accept a portion of the acquirer's shares upfront, and only accept the remainder if the acquirer meets certain performance targets. Such a target may be a revenue target, or that the acquirer's share price reaches a particular value after a certain period (the earn-out period). An earn-out may be structured in a way that ensures that the seller is entitled to an agreed cash amount instead, or a return of some of its shares if the acquirer fails to meet the performance targets.

Price adjustment mechanisms

Price adjustment mechanisms may be applied if certain events occur during the negotiation of the deal or once it is concluded. An example of an adjustment mechanism the seller may use to mitigate against downside risk is a *material adverse change* provision, in terms of which the purchase price is adjusted downward if the value of the acquirer's shares falls below a certain threshold before the deal is finalised. Alternatively, the seller may be entitled to an additional cash amount if the acquirer's share value decreases within a certain period after the conclusion of the deal.

Escrow arrangements

An escrow arrangement, where the seller's shares are held in trust for an agreed period, may also be used to protect the seller against breaches of the acquirer's warranties and indemnities.

Depending on the terms agreed between the parties, the seller may be entitled to a return of the shares held in escrow in the event of a breach by the acquirer.

While share-for-share transactions offer various benefits in M&A deals, it is clear that they should be approached with the necessary level of caution. A share-for-share deal presents the seller with comparatively more risk than a share sale where a seller receives a cash amount. In light of this, it is crucial that sellers take the necessary steps to mitigate their risk before accepting the acquirer's shares as consideration. ■

Hoffe is a Partner and Mokoka and Nyezi are Associates | Fasken.

1 *Steinhoff International Holdings N.V v Tekkie Town (Pty) Ltd* [2016] ZACT 103.

2 The bribery charges against the acquirer's director were subsequently withdrawn.

Pricing Mechanisms in M&A Deals

Thandiwe Nhlapho

James Moody

There are several pricing mechanisms which can be applied when purchasing or disposing of the shares of a company or a business (Target). In this article, we discuss some of the common pricing mechanisms and key considerations for buy-side and sell-side transactions.

Locked Box

The purchase price in a locked box mechanism is based on financial information derived from the financial statements or management accounts at a point in time. These sources of information, along with other financial information such as forecasts, are used to calculate both enterprise value and equity value. The date of the financial information constitutes the agreed date of the "locked box" (Locked Box Date), which is usually the end of a most recent financial year. Financial statements would typically be audited, thus giving credence and credibility to the information. The purchase price will be agreed and fixed when the parties sign the transaction agreement (Signature Date), and will reference a locked box balance sheet at the Locked Box Date.

From the Locked Box Date (or even Signature Date), the seller or Target is prohibited from making certain payments which will extract value from the Target. Such prohibited payments may include dividends, management fees, and non-operational payments known as "leakage", while payments in the ordinary course of business will be permissible and are regarded as "permitted leakage". In spite of payment only being made by the buyer at a later date, risk and benefit in relation to the Target passes to the buyer on the Locked Box Date.

The purchase price is often payable on the closing date, when ownership of the Target transfers from the seller to the buyer in terms of the transaction agreement (Completion Date). As the purchase price is fixed as at the Locked Box Date, the period between then and the Completion Date may be an extended period of time (Locked Box Period). Therefore, where profits increase in the Target during the Locked Box Period, such profits will be locked in the "locked box" and lost by the seller. The converse also holds true, making it even more important that a robust valuation is conducted for both parties to assess, in their view, the value of the Target.

Although not common, the sell-side may negotiate value accrual based on (i) additional cash flow generated by the Target and/or (ii) interest on the purchase price during the Locked Box Period. The buyer may protect itself by crafting walk-away rights in the transaction agreement, such as the occurrence of a material adverse change in the Target.

Completion / Closing Accounts

When utilising the completion accounts as a pricing mechanism, the seller will prepare a preliminary closing balance sheet to indicate pertinent balances, such as net debt and working capital, et cetera, before the Signature Date. The estimated purchase price will be paid in full or partially on the Closing Date and on the Completion Date, and risk and ownership in relation to the Target will pass at this point or when the balance is paid in full, depending on the provisions of the transaction agreement.

The transaction agreement will detail a timeline within which the estimated purchase price will be finalised, based on final completion accounts to be provided by the seller to the buyer post the Completion Date. The buyer is provided an opportunity to accept or dispute such final completion accounts. Taking account of the pertinent balance sheet items, any difference between the estimated purchase price and the final purchase price is either paid by the buyer or reimbursed by the seller to adjust the purchase price.

Unlike with the locked box mechanism, the equity value is not fixed. It is finalised post the Completion Date, to adjust the purchase price based on the completion accounts.

Earnout

An earnout, as a pricing mechanism, allows the seller of the Target to receive additional compensation if the business of the Target meets specified financial metrics during a defined period. This is known as the "earnout period", which is usually between one to three years. These financial targets are typically based on metrics such as earnings before interest, taxes, depreciation, and amortisation (EBITDA) or net profits (Financial Targets). The transaction agreement will define the metrics for calculating the earnout, with the final determination of whether the financial metrics are achieved being based on the results reflected in the Target's annual financial statements.

The earnout mechanism eliminates uncertainty for the buyer as they only pay a portion of the purchase price upfront, with the balance based on future financial performance of the Target, usually at the end of each financial year during the earnout period. This holds the seller accountable for financial forecasts that it may have provided to the buyer which were used in determining the valuation and purchase price. The earnouts are usually paid in cash, but shares are not uncommon. Unlike a locked box mechanism (subject to negotiating value accrual), the seller benefits from future growth during the earnout period, depending on how the earnout is structured.

The method for calculating Financial Targets must be specified clearly in the transaction agreement to prevent disputes, as earnouts often lead to post-closing disputes that can escalate to litigation or arbitration, similar to the completion accounts mechanism.

The earnout calculation, period, and the management team post-acquisition must be carefully negotiated and detailed in the transaction agreement, as these factors will contribute to the Target's ability to meet its Financial Targets. The transaction agreement should also cater for any potential anomalies, accounting complexities and recognition criteria (if applicable), ensuring that all parties are aligned as to how the Financial Targets will be measured.

Concluding which mechanism is appropriate for a particular transaction requires consideration of the business / industry of the Target, complexity, timing and cost, amongst other factors. The locked box may be preferred for transaction simplicity in respect of time and cost, whereas completion accounts and earnouts as mechanisms may be preferred because the purchase price paid aligns with the actual company / business value based on adjustments after the Completion Date.

Transaction advisors can assist parties to navigate each of the mechanisms and decide which one is appropriate for a specific party, and the Target being acquired or disposed of in a transaction. ■

Nhlapho and Moody are Corporate Financiers | PSG Capital.

Understanding Statement 102 within South Africa's B-BBEE framework


Leigh Lambrechts


Loatile Baiphaphele

The Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003 (the Act) is an important part of the South African legal landscape. One aspect of the Act used to measure compliance with the Act is how businesses are classified according to their B-BBEE level, ranging from the highest – Level 1 – to the lowest, Level 8; or worse, non-compliance. A points system is used to adjudicate a business's compliance with the Act and allocate a B-BBEE level.

Businesses receive points through several means, ranging from the shareholder or ownership makeup of the business and how the business procures services and products from previously disadvantaged suppliers, to how skills development occurs in a service agreement or commercial relationship. For large businesses operating in South Africa, both foreign and domestic, a clear understanding of how the B-BBEE points system works and the best ways it aligns with overall business strategy can create exciting commercial opportunities within South Africa's private and public sectors.

One such way a business can earn B-BBEE points is through the different options provided by Statement 102 of the B-BBEE Codes that form part of the Act. Statement 102 merits greater investigation because points earned under it allow the seller to claim the benefit of the sale for their B-BBEE scorecard.

What is Statement 102 and which transactions qualify?

Statement 102 refers to a business sold under its auspices as a Separately Identifiable Related Business (SIRB). A

SIRB is defined as a "business that is related to the seller by being a subsidiary, joint venture, associate, business division, business unit, or any other similar related arrangements within the ownership structure of the seller".

Statement 102 addresses how B-BBEE points are assigned through the transfer of ownership of a company to previously disadvantaged persons by another company. Three qualifying transactions can lead to the ownership of a SIRB changing hands from one party to another. These are the sale of certain assets; equity instruments in an entity; and a business.

For ownership points to be recognised, the qualifying transaction must:

- result in the creation of viable and sustainable businesses or business opportunities in the hands of black people; and
- result in the transfer of critical and specialised skills, managerial skills, and productive capacity to black people.

Critically, while a sale may meet the criteria of a qualifying transaction under Statement 102 at a high level, no B-BBEE points will be awarded if the transaction does not result in the transfer of critical and specialised skills or productive capacity to previously disadvantaged communities. Furthermore, the business must be a viable and sustainable enterprise so that beneficiaries do not fall victim to fronting and other nebulous practices that seek to circumvent B-BBEE law. No unreasonable limits or conditions relating to conditions of sale should exist.

> The excluded transactions are done so because they do not practically guarantee the beneficiaries of the transaction either the sustainable transfer of skills and/or meaningful business control to be used as a platform for future wealth creation.

Transactions that do not qualify under Statement 102

As noted above, over the years, numerous companies – whether unknowingly or otherwise – have sought to accrue B-BBEE points through practices that do not meet the conditions laid out in the B-BBEE Act. It can be quite costly for a business to engage in a transaction that they believe will improve their B-BBEE status when, in reality, it will go unrecognised according to the Codes and Statement 102. As such, it can be as important to know which transactions do not qualify under the Statement, as knowing which do.

The following transactions do not qualify under Statement 102:

- Business rights transferred through a license, lease or a similar legal mechanism that does not confer unrestricted ownership.
- The sale of a franchise by a franchisor to a franchisee (however, sales by franchisees to other franchisees or new franchisees do qualify).
- If a repurchase transaction is entered into within a stipulated period after the transaction has been implemented, even if transaction implementation is deferred post-year.

Furthermore, ownership points under the Act are subject to existing contracts between the parties remaining in effect, subject to levels that represent expected and reasonable market norms.

When comparing the transactions that qualify under Statement 102 with those that do not, it becomes increasingly clear how the Statement and broader Act strive for meaningful change when ownership of a business changes hands in South Africa.

The excluded transactions are done so because they do not practically guarantee the beneficiaries of the transaction either the sustainable transfer of skills and/or meaningful business control to be used as a platform for future wealth creation.

Given the opportunities presented by Statement 102 and the Act, and having explored some of the complexities above, it is highly advised that sound legal advice is sought when engaging in a transaction, to ensure all parties benefit from its execution materially and within the B-BBEE framework. ■

Lambrechts is a Partner and Baiphaphele an Associate | Webber Wentzel.

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Catalyst

SA's quarterly Private Equity & Venture Capital magazine

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Is SA merger control hampering PE investment?

Private equity and the shifting global order

Positive outlook for PE activity in SA

FROM THE EDITOR'S DESK

As we enter the final stretch of 2024, we can see that private equity (PE) in South Africa has experienced significant growth during the year, despite a complex economic backdrop marked by high interest rates and political uncertainty.

Ethos Capital notes that wealthy international investors who used to invest in private equity in South Africa – but who, for the past 10 years, have invested elsewhere – are now returning to the local market looking for best returns from good opportunities, of which South Africa has plenty. These investors previously made up 70% of available funds, which puts the importance of their return to SA in context.

At the time of writing, with some seven weeks to go before year-end, Deal**Makers** had recorded 36 deals involving private equity funds in the exchange-listed space in South Africa. The sectors in which the majority of these occurred were General Industrials, Real Estate, Energy and Retail. The list of Q3 private equity deals recorded in the listed and unlisted space can be found on pg 12.

This year also marked a shift in fund allocations, with PE firms increasingly focusing on infrastructure and energy, while generalist investments have seen a relative decline. This focus is largely driven by a heightened emphasis on Environmental, Social and Governance (ESG) standards.

South Africa's PE sector is leveraging both international and local opportunities, balancing resilience with strategic growth in sectors poised to support the country's development goals and ESG commitments. This optimistic trend aligns with the country's anticipated economic recovery, potentially fuelled by further upcoming interest rate cuts and a stabilising rand value. Articles from Bowmans (pg 1) and Agile Capital (pg 8) attest to this.

In the second quarter of 2005, Deal**Makers** launched **Catalyst** to document and cover an increasingly important industry. Private equity had come of age in South Africa, and its importance as a role player in the country's economy could no longer be ignored.

Michael Avery took over the reigns as editor in 2014, following the death of my colleague and co-founder of the company, David Gleason. Bringing Michael back into the GP stable (where he had cut his journalism teeth under David's mentorship) was the best decision for the magazine, which has grown in stature under his watch. Over the years, Michael has become a familiar presence across the various business mediums as a recognised financial journalist.

I am grateful to Michael for his time as editor of this publication, and my hope is that the magazine will continue to provide an informative read, tracking trends, investments and exits as the private equity and venture capital markets evolve. ◆

Marylou Greig

Contents

Catalyst

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A buoyant 12 months ahead for the PE sector in South Africa

South Africa's private equity (PE) sector is looking to realise a notable influx of deal activity and increased investment opportunities over the next year, prompted by a resurgence in interest from both local and international investors across various sectors.

Jutami Augustyn, Kate Peter, Naqeeba Hassan and Timothy McDougall

In South Africa, it is hoped that the recently formed Government of National Unity will lead to greater market stability and an improved economic climate. A move towards lower interest rates in developed markets will also increase risk appetite for investments into emerging markets.

In our view, the following sectors present investment and growth opportunities in South Africa:

ESG and impact investing

Like most commercial sectors, the rise of environmental, social and governance (ESG) considerations has similarly permeated Africa's PE environment. Investors in PE funds are increasingly imposing sustainability and social development requirements on PE firms, and require that they take these factors into account as part of their investment objectives and throughout the life cycle of their investments. This is especially pertinent for PE firms with commitments from development finance institutions.

Augustyn

Peter

Impact investing is particularly relevant in South Africa, where complex social issues such as poverty, inequality and unemployment, remain rife. Investments into sectors such as affordable housing, education, food and healthcare have the potential to create long-term value for both investors and society, making South Africa attractive to PE firms with an impact/ESG mandate.

Information and communications technology (ICT)

South Africa has one of the largest ICT sectors on the continent, so it is unsurprising that PE opportunities in the sector are on the rise.

In recent years, South African subsidiaries of foreign companies and South African-based companies have supplied most of the new fixed and wireless telecom networks established across the African continent.

Hassan

Additionally, there are increasing opportunities within South African organisations looking to utilise cloud computing's cost-effective and efficient networks, such as Software-as-a-Service and Infrastructure-as-a-Service. These recent technological advancements and rising demand within South Africa and the rest of the African continent have created a fruitful PE investment environment in the ICT sector.

In this space, Bowmans recently acted for Convergence Partners Digital Infrastructure Fund in its acquisition of 100% of the issued shares in Datacentrix Holdings Proprietary Limited alongside the Datacentrix management team. Datacentrix provides ICT integration services and solutions to the public sector and blue-chip corporates in South Africa, ensuring their success and sustainability into the digital age.

The team also advised a consortium of buyers comprising the IDEAS Infrastructure II Partnership, STOA Infra & Energy and Thebe Investment Corporation Proprietary Limited in relation to the acquisition of the shares held by Actis LLP in Octotel Proprietary Limited and RSAWeb Proprietary Limited. Octotel is a network infrastructure provider focused on the delivery of world-class fibre infrastructure.

Fintech

South Africa has become a leader in African financial innovation, and the fintech market in South Africa presents promising investment opportunities. Payment solutions have continued to dominate financial technology innovation in the country, attracting substantial investments from PE firms. This is amplified by South Africa's relatively low costs and large market offering in the tech space.

Bowmans recently advised Swissquote Group Holding on its acquisition of 100% of the shares in Optimatrade Investment Partners. Swissquote provides a range of online financial and trading services, and Optimatrade is a South African regulated Financial Services company that focuses on making offshore investing easier and more accessible for South African investors and traders by partnering with global online financial and trade services providers.

Renewable energy

PE funds are increasing investments into renewable energy, green hydrogen, battery storage and smart power technology projects across the continent. Green energy solutions are essential to increase access to a decarbonised, decentralised energy supply.

McDougall

This has become crucial in light of South Africa's electricity crisis and the detrimental economic effect that prolonged load-shedding had on the economy.

PE firms have been successfully investing in independent power producers (IPPs) that generate renewable energy that is then sold to Eskom. The lifting of licensing requirements for large-scale generation projects and these efforts to address the electricity crisis have stimulated significant growth in South Africa's renewable energy market. As a result, renewable energy capacity has expanded rapidly, resulting in numerous opportunities for investment within the sector.

Bowmans recently advised the Evolution III Fund – an Africa-focused climate impact investment fund managed by Inspired Evolution – in relation to its investment in Equator Energy Ltd (a commercial and industrial solar provider in East Africa) via the acquisition of 33.3% of the issued shares in Energy Pulse Ltd, the majority shareholder of Equator Energy.

Inspired Evolution specialises in clean energy infrastructure, energy access, and resource efficiency investments.

Bowmans also recently acted for Adenia Partners in relation to (i) its acquisition of a majority stake in the Herholdts Group, a leading distributor of electrical and solar equipment in South Africa, and (ii) its indirect acquisition of Enfin AM and Enfin Developers, a South African-based solar financing solutions provider.

Agribusiness

Agribusiness has come to the fore as a profitable investment sector in South Africa. For context, the sector's overall contribution, including the value chain, was around 10.3% of South Africa's gross domestic product at the end of 2023.

The value of these investments is compounded by the positive impact of technology and big data. Considering climate change and water shortages, the agricultural sector is at an advantage by implementing new technology that efficiently manages and ensures an optimum environment for agricultural growth, ultimately yielding a valuable investment return.

As a result, these resources continue to contribute to South Africa's economic resilience and attractiveness as a PE investment hub, promising long-term opportunities for growth and development in a resource-rich environment.

Bowmans recently advised US private-equity firm Paine Schwartz Partners' portfolio company, AgroFresh Inc. – a US-based company and global leader in the post-harvest agricultural space – on its acquisition of South Africa-registered Tessara (Pty) Ltd from private equity firm Carlyle Group Inc. This transaction was recently awarded '**Private Equity Deal of the Year**' at the South African *DealMakers* Awards.

> In South Africa, it is hoped that the recently formed Government of National Unity will lead to greater market stability and an improved economic climate.

Bowmans also acted for Phatisa in relation to its investment in the Lona Food Group, a South African-based citrus grower and exporter.

Supply chain logistics

According to Mordor Intelligence[1], the size of the freight and logistics markets in South Africa was US$13,79bn in 2024, and is expected to reach $19,9bn by 2030, growing at a compound annual growth rate of 6.29% during the forecast period.

The increasing demand for supply chain and logistics services is partly due to the predicted boost in intra-African trade, which is slowly starting to take off after the implementation of the African Continental Free Trade Area (AfCFTA) in 2021.

Further, global trade is recovering as interest rates begin to decrease and economies improve. The development of digital logistics solutions and telematics systems has also increased efficiency in supply chain logistics, boosting interest in the sector and providing good opportunities for PE funds to exit their investments.

Bowmans recently advised on the disposal of a minority shareholding in a significant warehousing, distribution management, and logistics company.

Consumer goods and retail

While high inflation, interest rates and unemployment have put pressure on consumer spending in the last few years, interest rates are now decreasing and consumer spending is on the rise. Further, with AfCFTA now operational, free trade across the continent is expected to increase in the next few years. All of this has boosted PE investment in the consumer goods and retail sector, with investors looking for opportunities to acquire companies on a growth trajectory.

Bowmans recently advised Capitalworks on its acquisition of 100% of the shares in The Building Company (Pty) Ltd, a South African company offering building materials, hardware and related products to retail customers.

Healthcare

PE investors in the healthcare sector have been capitalising on the growing demand for quality healthcare services and the need to address the healthcare infrastructure gap in South Africa.

Investments are being directed towards the building of hospitals and clinics, healthcare insurance services, and related industries, such as medical equipment and pharmaceutical manufacturing. The demand for digital healthcare is also booming, with the sector having a considerable impact on providing continuous access to healthcare for South Africans in rural areas.

Bowmans recently advised Next176 (Pty) Ltd on its agreement for future equity with Kena Health (Pty) Ltd. Next 176 is a venture-building strategic investment company that focuses on sustainable investments that impact lives. Kena Health offers a technology-driven healthcare platform in South Africa.

The PE landscape in South Africa continues to evolve rapidly, driven by changing global and local market dynamics, technological advancements, and shifting investor preferences. Investors in South Africa still have challenges to overcome, but optimism surrounding the country's new government and renewed political landscape, its diverse high-growth sectors, ambitious workforce and rich natural resources are just some of the key areas of opportunity for PE investments in South Africa.

Augustyn, Peter, Hassan and McDougall are Partners | Bowmans.

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[1] https://www.mordorintelligence.com/industry-reports/south-africa-freight-and-logistics-market

Is South African merger control raining on private equity's Dezemba?

By all accounts, investor sentiment is trending positively. In principle, this should provide a shot in the arm for South African private equity (PE), which has been languishing somewhat.

Chris Charter

Charter

There are compelling arguments for why a dynamic private equity sector is good for an economy. PE funds compete at two levels – for investors' funds and for opportunities to invest in sectors with upside – and both of these imperatives drive investment innovation. Successful investors need to bring something extra to the table to ensure that portfolio companies grow quickly, to realise a demonstrable return and enhance the fund's reputation in subsequent rounds, to secure funding and be the preferred bidder. As far back as 1890, English economist Alfred Marshall developed the notion of "knowledge spillover", and recent studies of data across the OECD have revealed that when there is private equity intervention in an industry, there is an overall increase in employment, productivity, capex and profitability, as peers react to the competitive innovations introduced by PE and venture capital[1].

In the USA, PE has developed a bad rap for loading investee companies with debt and then driving short-term operational improvements by effectively "looting" their investee companies – at the expense of workers and long-term sustainability.

Although South Africa has had the odd leveraged buyout scandal, for the most part, our approach to PE (particularly, home-grown funds) is decidedly less venal. It has to be: progressive labour laws, aggressive unions and merger control rules make retrenchments difficult, and so returns cannot be based on driving "synergies" as a euphemism for job-cuts. Our economy is not as vast as the US's and cannot absorb the odd failing firm without contaminating whole industries. Just as a rising tide lifts all boats, they go down with the ebb, and PE funds in South Africa surely know that in an emerging market, overall growth is an imperative. PE firms here have become adept at fundamentally improving businesses, not hollowing them out. Amid current challenges, they provide access to capital where many businesses would otherwise struggle to find it. In the South African environment, PE is becoming well versed in matters such as ESG, supplier and enterprise development, and all manner of socio-economic imperatives that go with responsible investing in this country.

The sector also has tremendous potential for transformation. Although still under-indexed, black fund managers are becoming more prevalent, and many young, driven, black professionals and entrepreneurs see PE as an exciting space. But private money demands results, and like any PE, black-owned PE can succeed only where it develops a track record of enough successful investments coupled with successful exits to ensure repeat business from investors.

> In practice, many firms are exploring ways to avoid triggering a merger, introducing complex structures or a need to avoid any controlling stake or minority investor protections that could give rise to control.

Finally, South African PE is also a valuable conduit for foreign investment and local pension funds (many funds have an offshore component and a local fund to cater for both sources).

So, if a strong PE sector contributes so significantly to the economy, should we not be doing all we can to foster and support PE firms as they endeavour to inject capital, innovation and growth into various industries? This brings into focus the policy decisions of a key gatekeeper for investment in South Africa: the competition authorities.

While no-one would deny the importance of merger regulation to avoid substantial anticompetitive outcomes or significant risks to the public interest, it would be regrettable if regulation operates to trammel activity that raises no such concerns. And yet the murmur from boardrooms in South Africa and abroad increasingly suggests that merger control is a major factor in deciding whether to invest or not.

While some big M&A transactions can price in the challenges and take a long-term view, PE is disproportionately hit by overzealous merger regulation, as a successful PE model involves making serial investments in circumstances where frictionless exits in relatively short order are as important as closing the investment in the first place.

In PE, trips to the Competition Commission are a regular headache, not a once-off ordeal. There are a number of factors that PE firms need to manage when devising an investment case:

The Commission's public interest guidelines for mergers emphasise that all mergers should result in increased levels of worker ownership, with the introduction of an employee share ownership plan (ESOP) a typical quid pro quo for approval. However, PE typically seeks to deploy growth capital and stimulate reinvestment in the business. This often eliminates dividend flow, which makes an ESOP ineffective.

The Commission's public interest policy also drives HDP ownership commitments. While this may aid black fund managers at the point of entry, it complicates exit as maintaining the same level limits the pool of potential buyers. The notion that a black fund manager's stake is less liquid could affect the ability to seed the funds.

Perversely, this reduces any incentive to introduce higher BEE ownership at or after the investment, as this will create a bigger issue to be solved for on exit, as a reduction in HDP ownership is considered to be contrary to the public interest.

In practice, many firms are exploring ways to avoid triggering a merger, introducing complex structures or a need to avoid any controlling stake or minority investor protections that could give rise to control. This reduces the amount of capital that can be deployed, and also stunts the prospect of meaningful new strategies to grow and disrupt industries.

The Commission's approach to small mergers could chill PE and venture capital support for startups, as valuations that exceed large merger thresholds, even if the business is fledgling, attract merger scrutiny. While these measures were designed to police big tech "killer acquisitions", the size of many private equity funds means they are also caught.

Many of the most attractive industries for private equity investment (such as healthcare, renewables and other infrastructure and technology) are also focus sectors for the Commission, resulting in investigatory delays.

A lack of understanding of fund structures and management means that larger funds face complicated filing disclosures to identify potential cross-shareholdings, even across separate funds, fueling unfounded information exchange concerns. This erodes the proposition that PE investment is less risky for competition than trade buyers.

There is hope that the competition authorities will begin to consider that its policy should not make PE investment in a difficult economic climate more difficult, as this leaves valuable growth and foreign investment money on the table. By the same token, investors need to be sanguine about the reality of the regulatory environment, which means factoring in merger control law and policy at an early stage of developing a deal strategy.

Charter is a Director, Competition | Cliffe Dekker Hofmeyr.

[1] Aldatmaz and Brown *Private equity in the global economy: Evidence on industry spillovers*, Journal of Corporate Finance, Feb 2020, 10524)

Local conditions create value for private equity

The general consensus is that the outlook for private equity (PE) is optimistic, although still requiring careful monitoring and prudent weighing of any opportunities. The recent uptick in sentiment is due to a number of factors, including the formation of the Government of National Unity. The drop in the interest rates and a more stable electricity supply have added positive sentiment to the market and, along with other positive factors, will drive economic growth.

Liz Kolobe

Value retention and growth remain key measurements within any business, and private equity firms always look not only to achieve value through an acquisition, but also to ensure organic growth within the business to demonstrate subsequent value. To enable this, many businesses concentrate specifically on core deliverables, and strive to become the leader in their industry by carving out a niche for themselves and doing what they focus on really, really well. In this way, they not only retain current customers, but are then also able to gain market share from lacklustre competitors.

Other opportunities to foster growth include dealing with any structural issues within a business. Often, management teams require real discipline and rigour to see growth and increase value. We are often sounding boards for the team, as an external viewpoint can bring clarity for those within the business. While we can share learnings from other companies within our portfolio and previous experiences in various aspects of the business, our core expertise lies in assisting with further expansion through acquisitions, additional liquidity, and capital structure decisions.

Kolobe

South African PE takes a positive view to investing in local companies, and this is particularly useful for those businesses seeking to expand through bolt-on acquisitions. This method to consolidate and build value within a business means that by centralising administration, complementary cross selling and implementing operational best-practices can rapidly grow EBITDA and margins, assuming the right cultural and strategic fit of the businesses.

The *2024 Deloitte Africa Private Equity Confidence Survey* found that agriculture, manufacturing, financial services and healthcare remain core sectors of interest, aligning with Africa's growing needs and offering potential for both financial returns and positive social impact. We have invested in a number of these sectors and found that, in order to grow, businesses are required not only to deliver, but also to include additional value-add services. Key success factors include reducing the commoditisation of a business' products or services to differentiate themselves from competitors in the market, and ensuring a sustainable business model which is defensive against external market and competitive factors. Africa is expected to continue to be the world's second fastest-growing region in 2024, after Asia. Africa's real GDP growth is forecast to increase from 3.7% in 2023 to 4.1% in 2025 and 2026.

In the current market, meaningful returns may require a slow and steady approach, combining calculated risk and tenacity. Longer investment cycles have become the norm within the PE sector. We have always seen ourselves as longer-term investors, open to long-term partnerships, particularly appreciating the challenges of the local economy.

In this regard, an additional misperception may perhaps lurk in the market: that PE is somehow resolute on the short term, and bound to a limited period in which to realise an investment. Whilst the very nature of PE requires investments to be made with an exit in mind, our approach ensures that a business is able to develop until the time is right to sell. This allows us to focus on growth and exit investments at the most opportune time for all stakeholders, without time pressure.

While the next 12 months are uncertain in terms of how political and environmental risks will continue to impact the global and local economies, both established businesses and entrepreneurs can seek the best possible outcomes by utilising private equity as a vehicle for growth. The *SAVCA 2024 Private Equity Industry Survey* reported that, overall, resilience and growth shown by portfolio companies during a period with difficult macro-economic conditions is proof of the PE sector's ability to actively support their portfolio company management teams and, in numerous cases, enable them to achieve rapid EBITDA growth.

We see more opportunities in the market and believe that private equity can continue to enable local businesses to grow, whether organically or through an M&A process. But finding the right partner – now that is key to ensure success.

Kolobe is a Partner | Agile Capital.

Private equity and the shifting global order

In the ever-evolving landscape of global trade and geopolitics, private equity (PE) firms are navigating a 'new normal' characterised by heightened uncertainties, shifting power dynamics, and an evolving geopolitical landscape, where the traditional norms of trade and investment are being reshaped.

Lisa Ivers and Tim Figures

As part of this new reality, emerging markets are becoming ever more important, particularly the countries in the BRICS group (Brazil, Russia, India, China and South Africa).

This 'new normal' has introduced opportunities, but also new risks when undertaking investments or managing a global investment portfolio. This means that private equity investors need to keep abreast of issues such as trade wars, sanctions, and regulatory changes that could impact the flow of capital and the stability of their investments.

Through recent analysis, we identified several ways in which recent geopolitical events are affecting the investment landscape; most notably:

- **Portfolio risk exposure**: Among the 20 largest private equity (PE) fund portfolios, an average of 20% of assets are exposed to geopolitical and trade risk. Some funds have even higher exposure.
- **Due diligence**: Individual investment decisions are increasingly subject to geopolitical, as well as economic, considerations.
- **Areas of risk**: Companies face risk exposure in three main areas: cross-border value chains, strategic sectors, and climate regulation and policies.

Consequently, PE firms should adapt by integrating geopolitical risk analysis into their due diligence processes and portfolio investment strategies. This involves a thorough analysis of risk exposure, taking into account specific issues of the geographies, trade flows and sectors concerned.

Ivers

Figures

The BRICS nations have been pivotal in giving the Global South a greater voice in world affairs and challenging the domination of existing institutions. With the potential expansion of the BRICS+ to include emerging economies like Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE, the bloc's influence on global trade and investment strategies is set to increase. While it is too early to tell how this group might develop, this expansion has the potential to establish global institutions parallel to Western-led ones, and to create new opportunities for economic cooperation.

Moreover, this expansion of the BRICS group is part of a wider shift towards a multipolar world, where emerging markets gain a stronger voice and the ability to shape international policies and institutions. This shift necessitates a strategic response from PE firms to capture the opportunities and mitigate the risks associated with a more fragmented and volatile global landscape.

With a changing world order, PE firms need to be agile and innovative. They need to build strong local networks, invest in on-the-ground expertise, and foster relationships with local partners. Additionally, they must embrace environmental, social and governance (ESG) criteria, which are becoming increasingly important to investors and can provide a competitive edge in these markets.

There are three key actions that PE firms can take to mitigate geopolitical risks:

- **Review overall fund strategy**: PE firms should assess their portfolio for geopolitical and trade risk exposure. They need to identify companies that require attention, screen for at-risk industries, and evaluate potential changes in geopolitics, trade and regulations.
- **Create new portfolio value**: While assessing high-risk companies, PE firms should estimate the impact by analysing revenue, cost drivers, value chains and sector exposure. This helps identify value creation levers.
- **Incorporate geopolitical perspective in due diligence**: During due diligence for acquisitions, PE companies should actively apply geopolitical perspectives to assess target attractiveness and market outlook.

While the 'new normal' in geopolitics poses significant challenges for private equity firms, it also opens new avenues for growth. By understanding and adapting to the political risks and embracing the opportunities presented by emerging markets – including the expanded BRICS group – private equity firms can position themselves to thrive in this changing landscape.

It is a delicate balance of risk and reward, requiring a strategic approach that is both globally informed and locally attuned.

Ivers is Managing Director and Senior Partner; Head of Africa, and Figures is a Partner and Associate Director, EU & Global Trade and Investment | Boston Consulting Group.

PRIVATE EQUITY DEALS Q3 2024

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
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 Advisory; Deloitte LLP	undisclosed	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
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; Birkett Stewart McHendrie; DLA Piper South Africa; Bowmans	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]		$750,000	Aug 12
Acquisition by	Advent International	a majority stake in SYSPRO	Torch Partners; White & Case (SA); Webber Wentzel	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	Investec Bank; ENS	R410m	Aug 14
Acquisition by	GCP 11 SPV (Growth Capital Partners II)	a stake in Artav Stainless Steel		undisclosed	Aug 14
Investment by	Mergenece Investment Managers	in Solarise Africa	PSG Capital	R160m	Aug 20
Acquisition by	Nedbank Private Equity and Mineworkers Investment Company	a majority stake in Tropic Plastic & Packaging	Nedbank CIB	undisclosed	Aug 22
Acquisition by	Commerical Cold Holdings (African Infrastructure Investment Managers) [Old Mutual]	iDube Cold Storage in KZN		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; Standard Chartered Bank; 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	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; IJG Securities	€141,2m	Sep 9
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