Catalyst

SA's quarterly Private Equity & Venture Capital magazine

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Trailblazing women in PE

VC bounces back

Alexforbes launches infrastructure fund

FROM THE EDITOR'S DESK

This issue is dedicated to celebrating the remarkable achievements of women in private equity, shining a spotlight on their contributions to financial inclusion, innovation, and sustainable development.

African private equity has made significant strides over the past decade, with women playing pivotal roles in steering this transformation. In this issue, we share their stories and strategies, and the profound impact they are making in various sectors, from fintech to infrastructure and beyond.

One of the highlights of this issue is our in-depth feature on Tanya Alvis, VP of Commercial for East Africa at Onafriq, Africa's largest digital payments gateway. Under Alvis's leadership, Onafriq has been at the forefront of the fintech revolution in Africa, merging technology and finance to drive financial inclusion across sub-Saharan Africa.

Alvis's leadership has been instrumental in expanding Onafriq's reach from facilitating remittances to merchant payments and prepaid cards, with the ultimate goal of establishing an omnichannel payment system. This system accommodates various payment methods, tailored to regional preferences, thus fostering greater financial inclusion.

In another compelling feature, we catch up with Mareme Dieng, who leads the African operations at 500 Global. Dieng's journey from the African Leadership Academy to her current role at 500 Global highlights her deep understanding of the African market, and her commitment to supporting exceptional companies on the continent.

Dieng's insights into the resilience and creativity of African founders reminds us of the importance of cultural awareness in venture capital. Her strategic approach to investing in fintech, agritech, mobility solutions, and climate tech reflects the diverse opportunities and challenges in Africa's start-up ecosystem.

We are also thrilled to feature Anne-Marie Chidzero, Chief Investment Officer of FSD Africa Investments (FSDAi). Chidzero's career is a testament to the transformative power of strategic, impact-driven investments like those she makes at FSDAi, advocating for sustainable development and gender equity.

Chidzero's focus on catalytic capital has enabled innovative financial solutions that address some of Africa's most pressing challenges. Her work in supporting women-led businesses and integrating a gender lens into FSDAi's investment strategy is particularly noteworthy.

This issue of Catalyst is a celebration of the trailblazing women who are reshaping the private equity landscape in Africa. Their stories of resilience, innovation and leadership are a source of inspiration for all of us. ◆

Michael Avery

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Pathways to financial inclusion

While private equity deal activity has experienced a slump across Africa over the last 12 months, the fintech sector continues to buck the trend – offering double-digit growth – merging technology and finance to drive financial inclusion across sub-Saharan Africa.

As traditional barriers buckle under the weight of technological advancement, fintech is building the new rails for financial transactions. Catalyst caught up with Tanya Alvis, VP of Commercial for East Africa at Onafriq, Africa's largest digital payments gateway, to find out what's driving this growth.

Onafriq, formerly known as MFS Africa, underwent a rebranding in November last year, to better reflect its mission. The company's vision of creating seamless financial routes across the continent is encapsulated in the phrases, "ona" (a Yoruba word for pathways) and "Afrique," the French term for Africa.

Over the past 14 years, Onafriq has expanded from facilitating remittances to encompassing merchant payments and prepaid cards. Their goal is to establish an omnichannel payment system, accommodating various payment methods from mobile money to traditional bank cards, tailored to regional preferences.

"Our mission is to make borders matter less," says Alvis. "We want to facilitate ease of payments, in terms of being able to receive and make payments across the continent. Whether you're in South Africa, where there's a lot of card usage; in East Africa, where mobile money is king; or in West Africa, where banks and cards play a huge role, Onafriq supports a payment medium or rails that make sense for you and your business."

Despite these technological advancements, though, the fact remains that 75% of transactions in Africa remain cash-based. This statistic highlights both a challenge and an opportunity. The persistence of cash transactions stems from deep-rooted trust issues, cultural nuances, and infrastructural barriers. Yet, the increasing adoption of digital payment systems, driven by strong political will and consumer demand, signals a shift. Countries like Ethiopia exemplify this transition, where partnerships with major players like Telebirr and M-Pesa have introduced millions to the digital payments ecosystem.

"Cash is still prevalent in many parts of the continent, but we are seeing a significant shift," Alvis explains. "Over the past two years, we've onboarded major players in traditionally cash-based markets, like Ethiopia. For instance, Telebirr, the mobile money product from Ethio telecom, and M-

Tanya Alvis

> "Our mission is to make borders matter less" – Alvis.

Pesa, which has launched through us, together account for over 30 million mobile money wallets."

One of the key strengths of Onafriq lies in its interoperability, allowing seamless transactions across different payment systems and regions. This capability is crucial in Africa, where payment preferences vary widely. By providing a unified platform, Onafriq enables businesses and consumers to transact effortlessly, fostering greater financial inclusion.

"We're both an equaliser and an amplifier," said Alvis. "Our hub enables integration with various financial systems across the continent, from mobile money wallets to traditional bank cards. This interoperability is key to ensuring that wherever you are, you can make and receive payments seamlessly."

While the concept of financial inclusion is often bandied about in the same breath as fintech, it's more than a buzzword; it's a catalyst for social impact. By integrating with banks and local fintechs, Onafriq facilitates access to essential financial services. Innovations like open banking APIs enable seamless integration with traditional financial institutions, enhancing services such as microcredit and savings. This integration transforms remittances into tools for financial empowerment, allowing recipients to build credit scores and access loans for business ventures, thereby fostering economic growth at the grassroots level.

"Fintech drives real social impact," Alvis emphasises. "By working with local fintechs and banks, we support remittance for purpose. For example, through our platform, people receiving remittances can build credit scores, access microcredit, and save more effectively. This is especially impactful for women, who, when financially empowered, contribute significantly to their households and communities."

The fintech revolution in Africa has been significantly bolstered by venture capital (VC) and private equity investments. For instance, Onafriq has raised substantial funds to expand its operations and drive strategic partnerships. These investments are crucial for reducing the high costs associated with remittances, making financial services more accessible. As VC funds continue to flow into the fintech sector, the impact on financial inclusion and economic growth is profound. The support enables companies like Onafriq to connect millions of mobile money wallets, creating an expansive network that benefits the entire continent.

"The support from VCs has been instrumental," said Alvis. "It has allowed us to drive strategic partnerships and reduce costs associated with remittances. Our footprint has grown significantly, connecting 500 million of the 800 million mobile money wallets in sub-Saharan Africa. This connectivity is crucial for scaling financial inclusion."

Onafriq's extensive network demonstrates the exponential impact of VC investments in enablers. This network includes 180 different mobile network operators (MNOs) and banks, facilitating a wide range of financial services.

"If VCs invest in enablers like us, the impact is amplified," Alvis stated. "The connectivity we provide facilitates a wide range of financial services, accelerating financial inclusion and creating a robust ecosystem. It's a domino effect that scales quickly with the right support."

The future of fintech in Africa is bright, driven by a combination of technological innovation, strategic investments, and a commitment to financial inclusion. The continued support from VCs and the private equity industry will be pivotal in scaling these innovations and ensuring that financial services are accessible to all, and as more players enter the ecosystem and collaborations increase, the potential for transformative growth is immense.

Companies like Onafriq are at the forefront of this revolution, creating pathways for seamless transactions and empowering individuals through access to essential financial services. As the sector continues to evolve, the collaboration between fintechs, traditional financial institutions and regulators will be crucial to realise the full potential of financial inclusion in Africa. ◆

A trailblazer in African private equity: Anne-Marie Chidzero

Anne-Marie Chidzero is a trailblazer in African private equity, serving as the Chief Investment Officer of FSD Africa Investments (FSDAi).

She has a rich background in finance and development, having co-founded Alitheia IDF Managers, an investment firm focusing on women-led businesses, and served as the CEO of FSD Mozambique. These roles laid the groundwork for her current position at FSD Africa Investments, where she is at the forefront of deploying catalytic capital to address some of Africa's most pressing financial challenges.

FSD Africa, a specialist development finance institution established by the UK government, aims to make finance work for Africa's future. FSDAi, the investment arm of FSD Africa, emerged in 2017 to address the need for innovative financial solutions. "Catalytic capital, willing to take on significant risk, can drive new market strategies and substantially benefit the FSD Africa agenda," Chidzero explains. This approach involves supporting financial sector growth through regulatory engagement, technical assistance, and strategic investments.

At FSDAi, Chidzero aims to drive impactful investments across Africa, particularly advocating for sustainable development and gender equity.

Anne-Marie Chidzero

FSDAi's investment strategy – "test, accelerate and mobilise" – focuses on testing new financial solutions, accelerating growth, and mobilising additional capital. A prime example is the investment in Onafriq, a company enhancing digital financial interoperability across borders. This early-stage investment facilitated seamless remittances and significantly scaled the company's operations, exemplifying FSDAi's role in market innovation.

"We backed Onafriq at a time when few were willing to take the risk," Chidzero recalls. This investment enabled Onafriq to raise subsequent funding and achieve substantial growth, underscoring the importance of early-stage risk capital in driving impactful financial solutions.

Chidzero also emphasises the importance of supporting a low-carbon economy and investing in enterprises that empower women to bridge the financing gap. FSDAi has committed over $114m in catalytic capital to support 19 investments across various sectors, enabling millions of people to access finance and basic services.

> "The investment strategy of FSDAi, known as "test, accelerate, and mobilise," focuses on testing new financial solutions, accelerating growth, and mobilising additional capital."

"Africa has many assets that can help the world achieve its CO2 emission targets," she notes, highlighting renewable energy resources and natural capital. FSDAi's investment in Kavex, a carbon credits trading platform, exemplifies this ambition. By aggregating smaller issuers of carbon credits and enabling them to trade on a larger scale, Kavex has facilitated significant environmental and economic benefits.

A strong advocate for gender equity, Chidzero has integrated a gender lens into FSDAi's investment strategy. "You cannot have an efficient, well-functioning financial sector when 50% of the population lacks access or decision-making power," she asserts. FSDAi's investments in gender-focused enterprises, such as WIC Capital in Senegal and Arua Capital in Nigeria, demonstrate this commitment. These investments aim to bridge the financing gap for women entrepreneurs, who face significant barriers to accessing capital.

Sub-Saharan Africa is unique in its high rate of female entrepreneurship, yet women face a $42bn financing gap. Chidzero's approach is to support women-led businesses and ensure their inclusion in financial markets. By investing in enterprises that empower women, FSDAi is fostering economic growth and societal transformation.

"Our high appetite for risk, and strong financial acumen, sets us apart," Chidzero emphasises, reflecting on FSDAi's unique role in the market.

Looking ahead, Chidzero envisions a financial landscape where sustainable growth is the norm, driven by innovative, inclusive financial solutions. Her leadership continues to inspire, paving the way for future generations of women in private equity and development finance.

Chidzero's career is a testament to the transformative power of strategic, impact-driven investments. Through her leadership at FSDAi, she has championed innovative financial solutions, supported the green economic transition, and empowered women entrepreneurs. As she continues to break new ground in private equity, Chidzero's legacy will undoubtedly influence the future of finance in Africa and beyond.

In a field often dominated by traditional approaches, Chidzero's innovative strategies and unwavering commitment to impact serve as a welcome sign of progress and inspiration for many women in private equity. Her work not only highlights the critical role of development finance in Africa, but also underscores the importance of inclusive, sustainable growth for the continent's future. ◆

500 Global's Mareme Dieng: insights on investing in Africa's start-up ecosystem

500 Global is perhaps best known for its renowned accelerator programme, yet it's quietly scaling up its investments on the African continent, with those operations led by Mareme Dieng.

Since it was founded, 500 Global has evolved from a start-up accelerator to a multi-stage venture capital firm. It started making investments in Latin America and East Asia back in 2011, and then the Middle East and Africa in 2012 and Southeast Asia in 2014, and has now grown into a VC with a vast portfolio spanning over 80 countries – almost US$3bn in assets under management.

Here's what Dieng has learned along the way:
Catalyst: Mareme Dieng, we are looking forward to finding out a little bit more about your journey, from working at the African Leadership Academy to leading the African operations at 500 Global. How have your prior experiences shaped your approach to venture capital?

Dieng: My experience in venture capital, particularly with Draper U – a Silicon Valley-based venture firm headed by Tim Draper – has greatly informed my approach. Tim Draper has always had a conviction-driven approach to investing and entrepreneurship development. At Draper U, we emphasised the importance of the founders and their ability to build. This philosophy aligns closely with what we do at 500 Global. I joined 500 three years ago, to build out our strategy for Africa, leveraging our strength in early-stage investing and our robust networks to find and support exceptional companies on the continent.

Mareme Dieng

Catalyst: Understanding the founders is crucial in venture capital. Having worked in Africa, and been born and raised in Senegal, what do you think are the core strengths of African founders?

Dieng: African founders are incredibly resilient and creative, often out of necessity. Unlike in other markets, they don't have the luxury of a supportive regulatory and government environment. They face unimaginable limitations, which forces them to be exceptionally resourceful. For example, Nigerian founders are known for their capacity to hustle and their ambitious goals, supported by a strong domestic market. Egyptian founders benefit from a high-quality education system, which helps them produce technically proficient products. In Senegal, founders tend to be more reserved and methodical, often aiming for safe, sustainable growth within reasonable timelines. Despite these nuances, all African founders share a remarkable resilience and ability to overcome challenges.

Catalyst: Cultural nuances across the African continent clearly play a role in business. As a VC, how important is it to build relationships with these culturally diverse founders?

"...cultural awareness is vital, not only for venture capital success, but also for business success." Dieng

Dieng: Building relationships with founders is absolutely crucial. The VC model relies on finding outlier businesses and outlier founders who can achieve significant returns. Understanding and contextualising the behaviours of founders within their cultural environments allows us to better support them. This cultural awareness is vital, not only for venture capital success, but also for business success. Founders often need to build pan-African businesses, which requires navigating cultural differences across the continent. As VCs, we must be informed about these cultural realities to provide the right guidance and support to our founders.

Catalyst: Along with the African Continental Free Trade Agreement showing good political momentum, intra-African trade is an opportunity yet to be fully realised. How does this impact your approach to investing in pan-African businesses?

Dieng: The African Continental Free Trade Agreement is a significant step forward, but non-tariff barriers still pose challenges. Building pan-African businesses requires founders to understand and operate in culturally diverse markets. This is where our experience and accelerator programmes come in. We tailor our support to help founders navigate these complexities and build successful businesses across multiple regions. It's crucial to have both the infrastructure and demand in place for sectors like e-commerce to thrive.

Catalyst: Can you share some headline-level insights into your investments in Africa and your sector focus?

Dieng: To date, we have made about 136 investments across the continent, with over 90 active portfolio companies. Our sector focus includes fintech, which is highly relevant due to the existing infrastructure and demand for financial services. We're also excited about agritech, given Africa's agricultural economy, and mobility solutions, which address the growing need for efficient transportation in rapidly urbanising cities. Climate tech is another area of interest, as Africa is disproportionately affected by climate change. While we have invested in e-commerce, the sector faces challenges due to the still-developing middle class, and infrastructure limitations.

Catalyst: On the point of infrastructure, last-mile delivery remains a challenge for e-commerce in Africa. Do you see this improving soon?

Dieng: Infrastructure is indeed a significant barrier for e-commerce. Unlike fintech, which built upon existing bank and telco infrastructure, e-commerce requires robust physical infrastructure for last-mile delivery. This, coupled with growing demand from a stronger middle class, is necessary for the sector to thrive. As of today, the infrastructure isn't fully there, but improvements are being made gradually. The demand and infrastructure need to develop simultaneously for e-commerce to become sustainable in Africa. ◆

South African skincare brand Lelive goes global with backing from Invenfin

In a significant milestone for South African entrepreneurship, local skincare brand Lelive, founded by actress and Greenpeace ambassador Amanda du-Pont, is poised for international success.

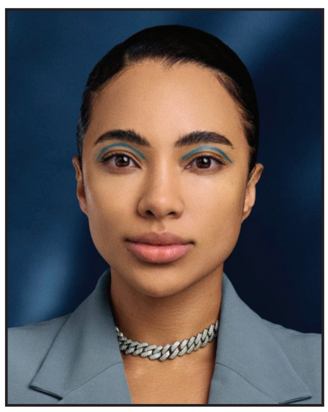
This move is underpinned by a substantial investment from Invenfin, the venture capital arm of Johan Rupert's Remgro. The brand, renowned for its use of African botanicals and sustainable practices, launched in the UK in June, following a trajectory of remarkable local success.

Judy Sendzul

Lelive, a Swati word meaning "light of the world," was born out of Amanda du-Pont's personal struggles with acne and her desire for natural, effective skincare solutions. "After years of struggling with acne-prone skin, countless products, dermatologist visits, and spending so much money, I decided to co-create, with my community, a skincare range that heroes African ingredients and is dedicated to serving diverse skin types," says du-Pont. This ethos of community involvement and simplicity has resonated deeply with consumers, driving the brand's rapid growth.

Invenfin, traditionally known for its investments in tech start-ups, has diversified its portfolio over the past eight years to include consumer brands. Judy Sendzul, Head of Consumer Investments at Invenfin, explains, "We invest in brands that are applicable both in the South African and African context, but that have international reach potential. Lelive has earned its growth trajectory with its exceptional range of skincare products designed for all skin types, wrapped in superb customer engagement, sustainable materials, and simplicity."

"Lelive ticks all the boxes we look for in an investment," says Sendzul. "Their story, product quality, and team are exceptional."



Amanda du-Pont

The decision to back Lelive was influenced by the brand's strong foundation in African heritage, and its commitment to clean beauty, aligning with global trends toward natural and sustainable products. "Lelive ticks all the boxes we look for in an investment," says Sendzul. "Their story, product quality, and team are exceptional."

Invenfin's role goes beyond providing capital; it includes strategic guidance and support. "We let them get on with the business because they know skincare better than we do," explains Sendzul. "But when it comes to entering new geographies, the legal side, compliance, and providing the capital to get going quickly – that's where we come in."

The partnership is seen as a blend of financial backing and collaborative effort, with Invenfin leveraging its network and expertise to facilitate Lelive's smooth entry into the UK market.

Lelive's expansion into the UK is a strategic move, particularly targeting London, where the population is 64% multi-ethnic. This demographic is seen as a prime market for Lelive's inclusive skincare range. The brand's narrative of using African botanicals and catering to diverse skin types is expected to resonate well in this cosmopolitan environment.

"A lot of work was done on understanding underserved markets and where premium beauty channels exist that can convey the product," notes Sendzul. "London has a multi-ethnic, youthful population, and retailers like Sephora are looking for products that serve various segments and niches."

Lelive's use of African botanicals, such as aloe and shea butter, traditionally exported for use in global brands, is a significant aspect of its identity. "We've decided to make our products from our natural resources, which are sustainable and stand tall on the international stage," says du-Pont. This approach not only promotes sustainability, but also showcases the richness of natural African ingredients.

Lelive's journey highlights the potential for South African brands to succeed globally, something branding guru Jeremy Sampson says is sorely lacking. The diverse local market provides a robust testing ground, preparing brands for international challenges.

"We have a diverse customer base here in South Africa, so you can really prove your customer touchpoints and commercial success before expanding," says Sendzul.

As Lelive prepares to take on the UK market, the brand stands as a testament to the power of community-driven, sustainable and inclusive business practices. With Invenfin's support, Lelive is set to shine on the global stage, bringing the essence of African skincare to a broader audience, and hopefully blazing a trail for future global consumer brand success stories from the southern tip of Africa. ◆

Venture capital bounces back

A comparative analysis of the Southern African Venture Capital and Private Equity Association (SAVCA) surveys from 2023 and 2024 reveals an encouraging turnaround in fortunes for the asset class so critical to powering high growth scale-ups in South Africa. There are also some strategic shifts that are poised to shape the future of the country's innovation ecosystem.

A year of recovery and growth

The 2023 SAVCA survey painted a somewhat bleak picture, with a contraction in the value of deals. The total capital invested dropped to R1,12bn in 2022, down from R1,31bn in 2021. However, this decline was counterbalanced by an increase in the number of deals, with 195 investment rounds reported – up from 186 the previous year. Co-investments emerged as a significant trend, reflecting a collaborative approach among VC players to mitigate risks and pool resources.

Fast forward to 2024, and the landscape looks markedly different. The total capital invested into start-ups surged past R3bn for the first time since the inception of the SAVCA surveys. With R3,28bn invested in 2023, across 184 investment rounds, the average deal size increased significantly, indicating larger and potentially more impactful investments. This recovery was driven by a robust increase in corporate co-investors and a substantial pool of unallocated committed capital, totalling R0,92bn, promising further investment growth in the near future.

Sectoral shifts: the dominance of ICT

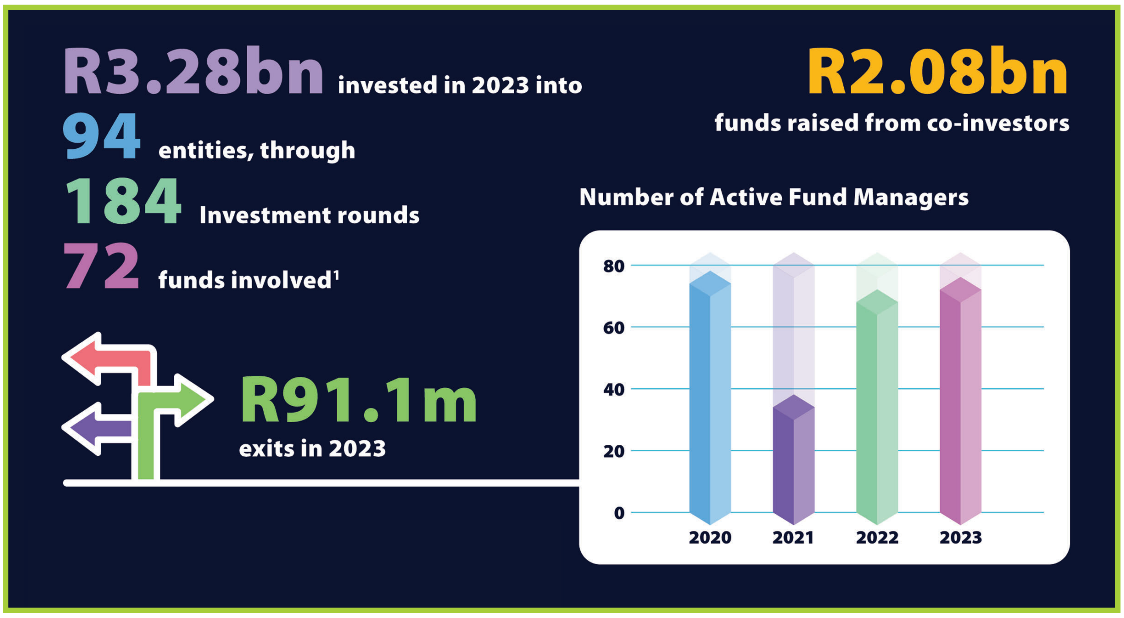
The sectoral analysis reveals a doubling down in investment preferences for technology. In 2022, the information and communication technology (ICT) sector, particularly fintech, dominated the VC landscape, accounting for 48.1% of all active deals. Healthcare also garnered significant attention, aligning with global trends in health tech innovation.

By 2023, ICT's dominance had only strengthened, encompassing 58.7% of deal value and 48.8% of the number of deals. Fintech remained the leading sub-sector, followed by software-related investments. The ongoing focus on ICT highlights the increasing importance of digital transformation and technological advancement in South Africa's VC market. Health-related start-ups continued to attract investment, supported by innovative models and public-funded intellectual property from universities and science councils.

Geographic distribution: a tale of two provinces

The geographic distribution of investments offers further insights into the evolving VC landscape. The 2023 survey highlighted the Western Cape and Gauteng as primary hubs, with Western Cape-based companies receiving 54.3% of all deals by number. Cape Town and Johannesburg emerged as major centres for investee companies.

The 2024 survey, however, shows a slight decline in the Western Cape's dominance, with 49.0% of deals by value, though it remained steady at 55.6% by deal volume. Gauteng accounted for 30.4% by value and 32.6% by number. Notably, there was a significant increase in deals involving non-South African companies, underscoring the growing importance of international co-investments and partnerships. This shift suggests a more interconnected and globalised VC market, with South African start-ups increasingly attracting foreign capital and expanding their reach.



Source: SAVCA VC Survey 2024

The role of fund managers

Independent fund managers have consistently played a crucial role in South Africa's VC ecosystem. In 2022, they accounted for 61.8% of all active deals, reflecting growing confidence in independent fund management. This trend continued in 2023, with independent fund managers handling 66.2% of all active deals. The public sector's direct involvement declined significantly, primarily due to the closure of the Industrial Development Corporation's (IDC) VC unit. However, the IDC remained active through co-investments, and the increased participation of corporate co-investors introduced a diversified and resilient funding ecosystem.

Exits and returns: a cautious optimism

Exits in 2022 returned R318m to investors, with an average return of 3.85 times the money invested, showcasing strong performance despite economic challenges. In 2023, exit activity was subdued compared to pre-COVID levels, with seven profitable exits totalling R91,4m. Trade sales remained the preferred exit route. While the lower exit values reflect a cautious market, the ongoing investment activity and growth potential suggest a positive long-term outlook for the VC market.

The strategic shifts observed in the SAVCA surveys signal a promising future, where digital and technological advancements, coupled with a robust and diversified funding ecosystem, will help drive the country's gazelles. It remains to be seen whether the recently formed Government of National Unity can provide the macro tailwinds to spur growth further. Still, it's heartening to see that VC investors continue to back local entrepreneurs to seize what opportunities are available in the market. ◆

Investing in infrastructure in South Africa: opportunities, challenges and strategies

With its strategic location at the southern tip of the African continent, South Africa stands as a gateway to both African and global markets.

Lebo Thubisi

The country has enormous potential for economic growth, especially through the development of its infrastructure. Investing in South Africa's infrastructure presents a significant opportunity for various stakeholders – including local government, pension funds and international investors – to play a pivotal role in the nation's progress and prosperity.

The state of infrastructure in South Africa

South Africa's infrastructure – crucial for the nation's economic development – needs urgent attention, and presents both an investment opportunity and a chance for far-reaching societal impact. The World Economic Forum's 2022 Global Competitiveness Report highlighted that South Africa's infrastructure quality, particularly in the transport and energy sectors, is below average compared to its peers. The electricity crisis (evidenced by frequent load shedding), crumbling road networks and outdated public transport system underscore the urgent need for substantial investment.

Opportunities in infrastructure investment

Transport infrastructure: South Africa's transport infrastructure includes highways, railways, ports and airports. The government's National Development Plan (NDP) identifies transport as a critical area for investment. The Gautrain, a successful public-private partnership, serves as a model for future projects. Opportunities exist in enhancing road networks to improve logistics efficiency, modernising railway systems for freight and passenger services, and expanding port facilities to accommodate growing trade demands.

Energy sector: The energy sector has been a focal point for infrastructure investment. The ongoing electricity crisis has presented an opportunity to develop alternative energy sources. South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has been instrumental in advancing solar, wind and hydroelectric power projects. Investments in renewable energy address the energy deficit and align with global trends toward sustainability and climate resilience.

Water and sanitation: With South Africa facing severe water scarcity issues exacerbated by climate change, there is a critical need for investment in water infrastructure. The government's commitment to improving water infrastructure provides fertile ground for investments aimed at ensuring water security for communities and industries alike.

Digital infrastructure: Digital infrastructure is the backbone of modern economies, enabling connectivity, innovation and economic participation. South Africa has made strides in this area, but still faces significant gaps in broadband access and technological innovation.

Expanding high-speed internet access to rural and underserved areas is a priority. The South African government's National Broadband Policy seeks to enhance connectivity, creating opportunities for telecommunications infrastructure investments. Investments in smart technologies can transform urban areas.

Thubisi

"Alexforbes will launch the AF Infrastructure Impact Fund-of-Funds, which will provide an additional entry point to pension funds and other financial services organisations into infrastructure investments."

Urban development: Urbanisation in South Africa has led to rapid city expansion, often outpacing infrastructure development. There is a substantial opportunity for investments in urban infrastructure, including housing, transportation and public spaces. Public-private partnerships (PPPs) can play a crucial role in developing sustainable urban environments that are both economically and socially beneficial.

Challenges in infrastructure investment

Political and regulatory uncertainty: Political instability and regulatory uncertainty can deter investment. South Africa's complex political landscape, characterised by frequent changes in policy direction and governance challenges, can create an unpredictable investment environment. Ensuring stable and transparent regulatory frameworks is essential for attracting and retaining investors.

Funding constraints: Infrastructure projects often require significant capital outlays, which can be challenging to secure. While various funding mechanisms exist, including government budgets, international loans and private investments, accessing and managing these funds efficiently is a critical challenge. Innovative financing models, such as infrastructure bonds and blended finance approaches, can help overcome these constraints.

Strategies for successful infrastructure investment

Leveraging Public-Private Partnerships: PPPs offer a strategic approach to infrastructure development, combining public-sector oversight with private-sector efficiency. Successful PPPs, such as the Gautrain project, demonstrate the potential of this model. Establishing clear legal frameworks, defining roles and responsibilities, and ensuring fair risk-sharing agreements are key to successful PPP ventures.

Embracing technological innovation: Technology plays a significant role in modern infrastructure development. Innovations in construction technology, smart city solutions and digital infrastructure can enhance project efficiency and sustainability. Investing in technology and innovation can lead to more resilient and future-proof infrastructure systems.

Aligning projects with National Development Goals: Infrastructure projects should align with national development strategies like the NDP. Ensuring that projects contribute to broader socio-economic objectives, such as job creation, economic growth and social inclusion, can garner greater stakeholder support and increase the likelihood of successful outcomes.

Moving forward: Realising South Africa's infrastructure potential

Investing in infrastructure in South Africa offers substantial opportunities across various sectors, including transport, energy, water, digital infrastructure and urban development. However, realising these opportunities requires navigating a complex landscape of political, economic and operational challenges. By leveraging innovative financing mechanisms, as well as the extensive local pension fund resources, embracing technological advancements, fostering international partnerships, and aligning projects with national development goals, stakeholders can overcome these challenges and contribute to South Africa's long-term economic prosperity. The future of South Africa's infrastructure will require thoughtful, strategic investments and collaborative efforts to turn potential into reality.

In recognising the challenges and opportunities, Alexforbes will launch the AF Infrastructure Impact Fund-of-Funds, a great opportunity for investors seeking sustainable returns. The fund will provide an additional entry point for pension funds and other financial services organisations into infrastructure investments, while facilitating the management of those investments.

Investors and policymakers alike now have the opportunity to drive transformative change in South Africa's infrastructure landscape, and the path forward involves a careful balance of vision, strategy and execution to harness these opportunities for sustainable development. ◆

Thubisi is Deputy Chief Investment Officer of Alexforbes Investments.

Metier's final close points to fundraising thaw

Despite the environment for deal making being as modest as a Sunday picnic, fund raising received a welcome boost with the announcement by Metier Private Equity of the final close of its Metier Capital Growth Fund III, amassing over $219m and surpassing their $200m target. Akin to planting a garden in the middle of a desert, it is a testament to their grit and tenacity.

No surprise then that Paul Botha, the CEO and co-founder, wore such a broad smile as he shared the news.

"We are pleased with the support shown to Metier by our investors, and for this result, given the tough fundraising climate the African

“We are pleased with the support shown to Metier by our investors, and for this result, given the tough fundraising climate the African private equity industry is experiencing,”

private equity industry is experiencing,” he said. Indeed, raising funds in this climate was like trying to grow roses in a blizzard, but Metier managed to bring spring early.

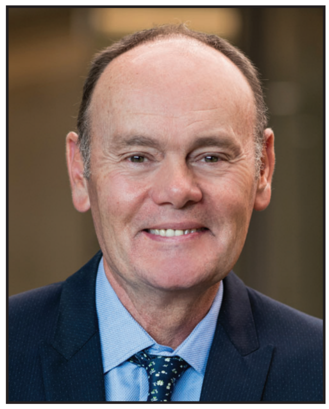
Metier is an independent, owner-managed private equity firm founded in 2003. Their entrepreneurial ethos is the secret sauce in their approach to dealmaking, forging deep partnerships with portfolio companies and management teams. With over 45 professionals, offices in Johannesburg, Mauritius and Nairobi, and representation in London, Metier's team has pan-African reach. Their dual investment practices – Capital Growth and Sustainable Capital – target mid-cap entrepreneurial businesses and sectors in energy efficiency, renewables, water, and waste management.

Peter Maila – Co-Chief Investment Officer at FMO, the Dutch entrepreneurial development bank – remains an important backer of the Metier funds. FMO's steady hand has been a guiding star, navigating stormy seas alongside Metier.

Peter Maila

With a committed portfolio of ~€13bn across 85 countries, FMO stands tall among bilateral private sector development banks.

The fund, which started deploying capital in September 2023, has already dipped its toes in the waters of the telecommunication, information technology and energy sectors with three investments. Botha, ever the optimist, hinted at more to come before the year's end.



Paul Botha

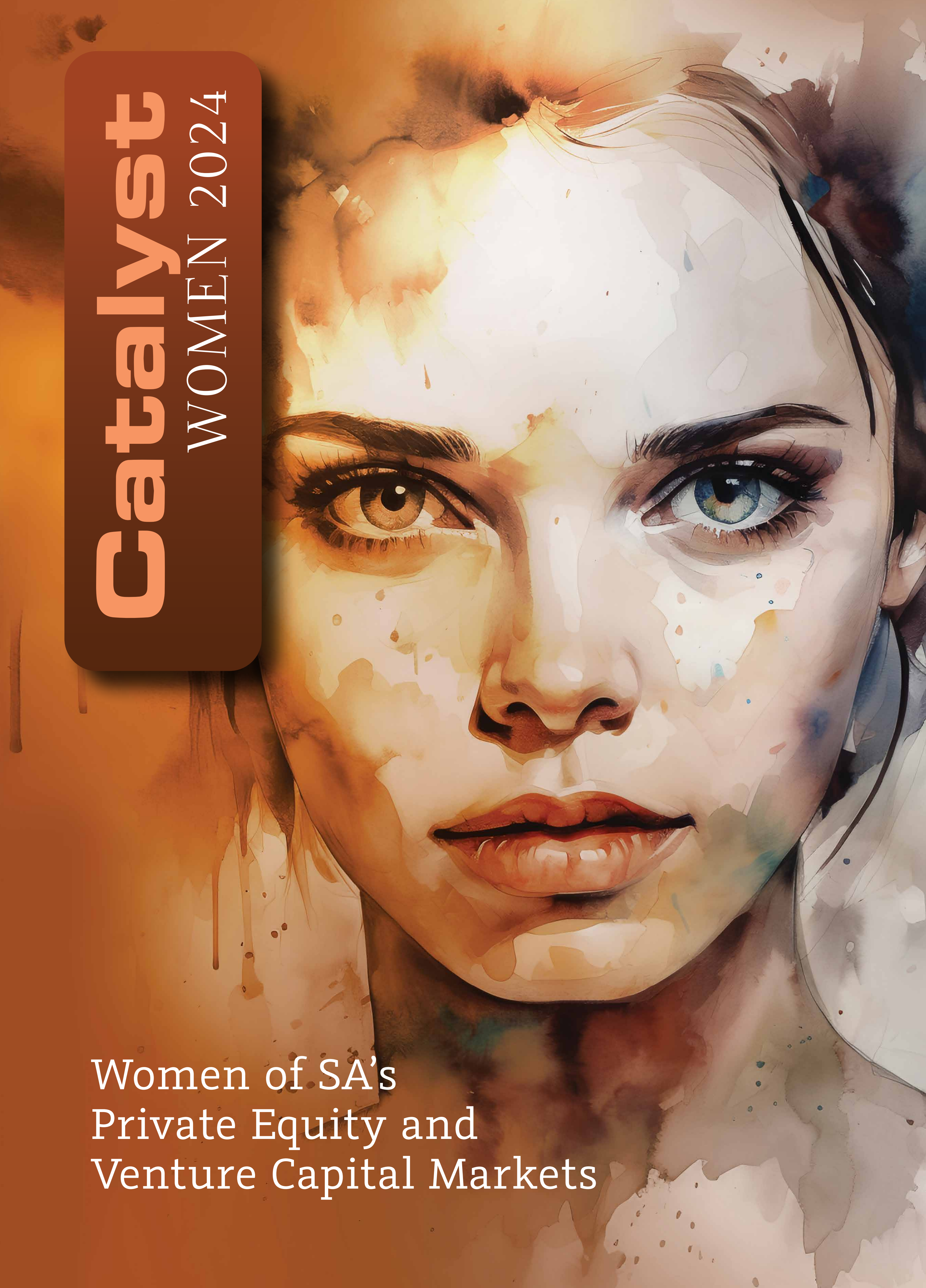
“The Fund is positioned to make additional investments before the end of this year, given the vibrant deal pipeline we are observing,” he said. Metier's eyes are set on opportunities that promise both growth and a touch of magic – top quartile returns and positive developmental impact.

Metier Capital Growth Fund III has its sights set on sub-Saharan Africa, aiming to sprinkle its capital on eight to twelve mid-market companies with robust growth features. These sectors thrive on regional economic and demographic trends, much like flowers that bloom with the coming of rain, and population growth and urbanisation are the rains Metier looks forward to.

In a time when the macro environment is starting to show signs of thawing – like the first flowers of spring – the closing of Metier Capital Growth Fund III couldn't have come at a better moment. With the Fed hinting at rate cuts, the wind seems to be at Metier's back. Deploying capital now, just as the sun peeks through the clouds, might just be the golden opportunity everyone's been waiting for.

PRIVATE EQUITY DEALS Q2 2024

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	Baobab Network	Reflector Marketing		undisclosed	Apr 2
Joint Venture	Next176 (Old Mutual) and SC Ventures (Standard Chartered Bank)	financial planning platform (integration of apps 22seven and Autumn)	ENS	undisclosed	Apr 8
Disposal by	Motus to Isipho Capital	Hino Pomona in Kempton Park, Gauteng		undisclosed	Apr 8
Disposal by	Enko Africa Private Equity Fund to subsidiaries of Mergence Investment Managers	its entire stake in Madison Financial Services in Zambia		undisclosed	Apr 10
Acquisition by	Kazi Capital BBGF fund	a 40% stake in Figment Holdings	Falcon & Hume	undisclosed	Apr 14
Acquisition by	Vuna Partners Fund I	40% stake in Ferreira Fresh	ENS	undisclosed	Apr 17
Acquisition by	Trustco from Riskowitz Value Fund LP	1 135 shares in Legal Shield	Vunani Sponsors	R468m	Apr 23
Acquisition by	RMB Ventures (FirstRand)	investment in Bulldog Group		undisclosed	May 6
Acquisition by	Lesaka Technologies from Apis Growth Fund I (managed by Apis Partners) African Rainbow Capital, International Finance Corporation and Adumo management	Adumo RF	Rand Merchant Bank; Fairview Partners; Werksmans; Webber Wentzel	$85,9m	May 8
Disposal by	Old Mutual Private Equity (Old Mutual) to a consortium led by Alterra Capital Partners and including Mineworkers Investment Company and Admaius Capital Partners	majority stake in Beverages HoldCo 2 (operating through Chill Beverages and Inhle Beverages)	Standard Bank; Rand Merchant Bank; Nedbank CIB; Webber Wentzel; Cliffe Dekker Hofmeyr; ENS; EY	not publicly disclosed	May 15
Acquisition by	Infra Impact Investment Managers from Lereko Metier Environmental Solutions	a majority stake in Oricol Environmental Services	PwC	undisclosed	Jun 4
Acquisition by	Admaius Capital Partners and senior management from Synerlytic Group	The Particle Group	Bowmans; Grayston Elliot	undisclosed	Jun 11
Investment by	Acacia Inclusion (Leapfrog Investments)	in Battery Smart in India (part of a $65m Series B round)		undisclosed	Jun 11
Acquisition by	PAPE Fund 3 from Nedbank Private Equity (Nedbank)	stake in Entersekt		undisclosed	Jun 13
Investment by	Convergence Partners, Energy Entrepreneurs Growth Fund and Platform Investment Partners	in Yellow [Series B]		$14m	Jun 19
Investment by	Havaic and AfricInvest	in AURA [bridge to Series B]		$1,1m	Jun 19
Acquisition by	Vuwa Capital Partners	a stake in Thusanyo Project Services		undisclosed	Jun 20
Acquisition by	Ocean SPV (Myriad Capital) and Ocean on 76 Telco and Infrastructure Services from Shalamuka Capital 2	a majority stake in Radio Network Solutions (RNS)	Werksmans	undisclosed	Jun 28
Disposal by	African Infrastructure Investment Managers through IDEAS Infrastructure I GP (Old Mutual) to TRG Africa Mezzanine Partners GP	preference shares in Gigajoule Power	Cliffe Dekker Hofmeyr	not publicly disclosed	not announced
Acquisition by	MSC II Investments (Metier)	shares in Wetility	Cliffe Dekker Hofmeyr	not publicly disclosed	not announced



Catalyst

WOMEN 2024

Women of SA's Private Equity and Venture Capital Markets

CatalystWOMEN2024

Women of SA's Private Equity and Venture Capital Markets

Michael Avery
Editor

EDITOR'S NOTE

Championing diversity in Private Equity

As a financial journalist in the early 2000s, I vividly recall stepping into boardrooms dominated by male executives. The private equity industry mirrored this imbalance, but times are changing, and the evolution is heartening to witness. This year marks our third annual feature on women in private equity, where the heights being reached by these formidable women are not only breaking glass ceilings, but also proving that diversity in decision-making is crucial for success.

Diversity brings a wealth of perspectives, fostering innovation and more effective problem-solving. In an industry where the stakes are perpetually high, the inclusion of diverse voices is not just beneficial—it is essential.

As you will read in this year's feature, Natalie Kolbe's journey from private equity to venture capital epitomises the forward-thinking approach needed in today's market. At Actis, she navigated one of the toughest deals—the buyout of Alexander Forbes during the global financial crisis—demonstrating resilience and strategic acumen. Natalie's advice to women entrepreneurs—network tirelessly and maintain realistic valuations—highlights the importance of credibility and connections in this competitive field.

Meta Mhlarhi's commitment to infrastructure development through private equity is transforming lives by enhancing access to essential services. As a co-founder of the Mahlako Energy Fund, she has championed sustainability, innovation, and empowerment, raising significant capital to address energy challenges and promote women's participation.

Trishanta Dheepnarayan's path from Absa Capital to Metier spotlights the dynamic and challenging environment of private equity. Her reflection on the difficulties of exiting investments during economic downturns reveals the nuanced complexities fund managers face. Her journey from a middle-income home to a principal at Metier serves as an inspiration, illustrating that private equity can indeed be a vehicle for both professional and personal growth.

Nthabiseng Thema's background in investment banking and management consulting laid the foundation for her impactful career in private equity. Her belief in the transformative potential of technology to drive growth and efficiency across sectors is evident in her focus on ICT and technology investments. Nthabiseng's emphasis on aligning values and visions with potential funding partners during pitches reflects a deep understanding of the relational dynamics crucial to successful deal-making.

Sihle Gumede's transition from corporate finance to private equity was driven by a desire to understand the post-deal landscape and its impact on businesses. Her toughest deals are those that don't close after significant effort, reflecting the inherent challenges of the industry. Sihle's admiration for Maya Angelou's resilience, and her love for travel, highlight her well-rounded approach to life and work. Her advice for women entrepreneurs to back themselves confidently when seeking funding is a powerful reminder of the importance of self-belief in overcoming industry biases.

Additionally, the achievements of Sindi Mabaso-Koyana, who has been a trailblazer in integrating environmental, social and governance (ESG) criteria into private equity investments, underscore the transformative power of diversity. Since establishing the African Women Chartered Accountants (AWCA) Forum in 2002, she has been part of a team that has nurtured the of developing Black women professionals in the sector.

As we celebrate these remarkable leaders, it's clear that the journey towards diversity and inclusion in private equity is ongoing. These women are not just breaking barriers; they are paving the way for future generations. It is our collective responsibility to ensure this momentum continues, fostering an ecosystem where diversity is celebrated.

Join us in exploring their journeys, insights, and the transformative impact they are making in private equity. Together, let's champion diversity and harness the power of varied perspectives to redefine the future of this dynamic industry.

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Editor: Michael Avery
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AIH CAPITAL (PTY) LTD

PROFILE

Sindi Mabaso-Koyana

Managing Partner

The private equity industry is daunting to many. It requires a unique blend of strategic vision, rigorous analytical skills, substantial capital commitments, and the ability to manage complex and dynamic business transformation. With the added challenges of existing discriminatory corporate cultures and practices, it is even more so for Black women. Sindi Mabaso-Koyana stands out as one of the exceptional few who have managed to redefine and transform this industry, with a proven track record of good business acumen and charismatic leadership.

Since co-founding the African Women Chartered Accountants (AWCA) Forum in 2002, she has been part of a team that has cultivated an active culture of developing Black women professionals within the financial services space, by providing bursaries, creating networking opportunities, and offering tailored training programs that enhance their skills and career prospects. The recognition of the need to further develop these professionals was realised through the founding in 2008 of AWCA Investment Holdings (AIH); which became a necessary step forward in providing equity and true value for empowerment. Sindi shares that she's proud that after 15 years in business, AIH was able to pay out their first dividend to shareholders last year, delivering returns for shareholders and ensuring sustainability for the AWCA.

What led her into private equity was not only a necessity, but also an opportunity to create a competitive edge and add value as a dealmaker. "We were drawn to the agility necessary to fund deals. Having a private equity firm gave us the formula to access capital, identify strategic opportunities, and create significant value through active management and direct operational improvements. This move also demonstrated our financial strength and reliability. It created the ability to attract quality deals and not only rely on vendor financing."

Since establishing AIH Capital in 2018, the Fund has raised R508m – etching closer to the target of R800m – and made remarkable strides with landmark deals such as the 21.2% stake in Futuregrowth and the 49% stake in High Duty Castings. "Financial services have always been the sector on our radar in which to invest in. I'm particularly passionate about fostering financial inclusivity within this industry. By championing diversity and creating more opportunities for women, I believe we can drive innovation and make the sector more forward-thinking. Seeing more women in ownership and leadership roles, and shaping the future of financial services, is incredibly rewarding. We are also drawn to the industrial space, which I believe allows us to be contributors to job creation, and promoting local manufacturing and production, which is key to our economy's growth and stability."

The challenge of private equity being seen by the portfolio companies as only interested in returns, and not interested in investing back into the business for growth. AIH Capital has mitigated this by co-investing with our investment company, which is a long-term holder and invests on balance sheet. This has been our differentiator.

As successful as she has been, Sindi recalls one of the toughest deals that she has worked on and how that influenced her approach to her business. "The deal with Futuregrowth posed a particular challenge which, in turn, forced us to be innovative in our approach. Investing in a business with a planned exit strategy can be challenging, as it can create some unease among partners who recognise that the commitment is not indefinite. At AIH, we have always believed in building a legacy; a principle deeply rooted in our founding values. Our alignment with Futuregrowth and being chosen as the preferred partner highlighted the need for a more long-term relationship. This unique positioning allowed us to present a joint deal with AIH Capital, confident that our partnership could offer sustained and long-term involvement."

Sindi attributes her growth to the valuable lessons that form part of her foundation. From her mother, she learnt the value of nurturing what you have, and the resilience to work hard to achieve your goals and aspirations. "As my first role model, my mother gave me a sense of appreciation. She instilled discipline in me, and the understanding that from the value you have for the little things, the space for abundance in your life opens up. With a strong sense of hard work and getting things done, I learnt independence and independent thinking at a very early age." As a woman who has significant influence, Sindi also mentions that if she could, she'd love to have a conversation with another historical woman of influence. "Queen Nandi would be my ideal dinner guest. We know so much about the great Shaka, but I am intrigued to know the story of the woman whose nurturing created that greatness."

As demanding as Sindi's professional life is, she believes in making time for self-care and wellness, underpinned by a very spiritual life. She is a fitness fanatic and finds relief in her usual jogging, gym visits, and tennis games with the family. She also regularly treats herself to a trip to the spa. "This balance is so important to me. We are seeing more women going through burnout from the demands of juggling their multiple roles; I am slowly learning to self-preserve so that I can be more effective in my home and the workplace."

Sindi is married with two kids, and loves the color PINK.

Sindi's leadership has played a pivotal role in the growth and advancement of the private equity industry by fostering an environment of innovation, demonstrating inclusivity and strategic growth. Her commitment to excellence and her ability to mentor and empower others have set new standards in the field. Through her visionary approach and proven business expertise, she has not only driven significant financial returns, but also championed the inclusion of diverse voices in investment decisions, therefore transforming the industry's landscape, enriching its presence, and influencing the next generation of deal makers.

MAHLAKO
BALANCING GROWTH

Q&A

Meta Mhlarhi

Co-Founder | Executive Director

Q What led you to pursue a career in Private Equity?

A I am deeply passionate about Private Equity's pivotal role in infrastructure development, where strategic investments can significantly improve individuals' quality of life by enhancing access to energy. This improvement can, in turn, lead to better education, healthcare, and essential services. Through these ventures, I aim to contribute to a positive societal impact and transform the economy of South Africa.

At Mahlako, we embrace core values of sustainability, innovation, and empowerment. We believe in balanced growth – recognising that to nurture progress in any one area, all aspects must flourish. This ethos guides our journey towards creating a lasting impact in both the private equity arena and the communities we serve.

This vision led me to co-found the Mahlako Energy Fund. Our mission was clear: to address the capital shortages in black communities, combat South Africa's energy crisis, promote women's participation, and leverage investment funds to address infrastructure challenges across Africa.

Our journey began with the humble goal of raising a R500 million fund. However, through perseverance and dedication, we surpassed expectations and successfully raised R2 billion. This accomplishment has established us as the largest women-owned private equity fund in South Africa.

We are thrilled to announce the launch of a new fund, which will place even greater emphasis on infrastructure investments aimed at making a positive impact on people's lives. This initiative underscores our commitment not only to financial success, but also to driving meaningful societal change through strategic investments.

Q What, in your opinion, is the hardest part of a PE deal?

A Contracting is a pivotal stage, where the fine balance between risk and reward is intricately negotiated and structured. This phase necessitates a meticulous evaluation of various risks, including market volatility, operational complexities, regulatory changes, and unforeseen external factors. Each risk must be comprehensively assessed and mitigated to protect the interests of both investors and the firm.

Downside protection is crucial during this process. It involves implementing strategies to minimise potential losses and manage risks effectively, while striving to maximise profitability. Achieving this balance requires a profound understanding of market dynamics, rigorous risk assessment capabilities, and exceptional negotiation skills.

In essence, successful contracting in Private Equity relies on the ability to balance risk management with the pursuit of substantial returns. This complex task demands meticulous attention to detail and a strategic approach to navigating the intricacies of investment agreements. By prioritising downside protection, driving returns, and managing risks prudently, Private Equity professionals can optimise outcomes and ensure the long-term success of their investments.

Q If you could change one thing on your career path to date, what would it be and why?

A If I could change one aspect of my career journey, it would be to cultivate a better balance in how I treat myself. While it is essential to take my career seriously and maintain a high level of accountability, I have come to understand the profound importance of being more forgiving of my own mistakes and setbacks. In fields like Private Equity, where the demand for excellence is relentless, it is easy to fall into the trap of excessive self-criticism when things do not go as planned. Reflecting on failures is vital for growth, yet I believe that embracing a more compassionate mindset towards myself would create a healthier environment for both personal and professional development. This shift would enable me to rebound more resiliently from challenges, while upholding high standards and supporting myself throughout every phase of my career journey.

Q What piece of advice would you give a female entrepreneur looking for funding?

A **Know Your Story:** Before approaching investors, thoroughly research and understand your business, inside out. Be clear about your business model, market opportunity, financial projections, and most importantly, your unique story.

Network Strategically: Building relationships in the entrepreneurial ecosystem is crucial. Attend industry events, join networking groups, and connect with other entrepreneurs and investors. Networking not only opens doors for potential funding, but also provides valuable insights and mentorship.

Find the Right Partners: Collaborate with partners who complement your skills and bring diverse capabilities to the table.

Emotional Intelligence: Tailor your pitch to resonate with your audience. Understand what motivates investors, and align your story and numbers to address their interests and concerns.

Q Did you have a mentor and, if so, what was the most important thing you learnt from them?

A I have been privileged to be inspired by several remarkable role models who have significantly shaped my personal and professional journey. My parents, with their emphasis on networking and perseverance, provided unwavering support that has been a cornerstone for overcoming challenges and finding solutions.

My sister, a beacon of inspiration and now a valued business partner, enriches my life daily with her passion for reading and profound life insights. Together, we harness her wisdom and our shared values to navigate our business journey with success and integrity.

Furthermore, individuals like Futhi Mtoba, Lwazi Bam, and Tryphosa Ramano have exemplified remarkable resilience and determination in their fields, serving as powerful sources of inspiration.

Moreover, my partner Sydney Mhlarhi's exceptional business acumen and innovative management approach continuously motivates me to strive for excellence in all my endeavours. The collective influence of these extraordinary individuals has profoundly enriched my professional growth and aspirations.

metier

Trishanta Dheepnarayan

Principal

Q&A

Trishanta is a Director and Principal at Metier and has over 15 years' experience in private equity. She began her career at Absa Capital Private Equity, and joined Metier at the end of 2009, where she started in the Analyst Programme and progressed to the role of Principal in Metier's capital growth practice.

Metier is an independent owner-managed private equity fund manager with a track record spanning four decades and over 100 transactions. The firm's independence is fundamental to its distinctive style, where the team forges partnerships with its portfolio companies and management teams. Metier recently had a final close on its third capital growth fund, the Metier Capital Growth Fund III, which raised over $219m of capital, exceeding its targeted fund size of $200m.

Q What led you to pursue a career in Private Equity?

A I initially wanted to pursue a role in asset management and, while doing some research on the topic, I started reading about many fast-paced, highly leveraged US private equity deals of the 90s and the magic of carry. Being young and impressionable at 21, I thought, "That's what I want to do!"… I didn't realise how very different South African private equity was from the leveraged buyout deals I had read about in the US until I was already in my first private equity role. In hindsight, while my initial thinking was misguided, private equity was still a great career choice for me because it offers a dynamic and challenging environment, with the ability to create real impact in businesses and society, while providing an opportunity for wealth creation. These elements would be appealing to most young graduates, and were particularly appealing to me given my background – I grew up in a middle-income home in Phoenix in KwaZulu Natal, and was one of the first people in my family to attend university.

Q What, in your opinion, is the hardest part of a PE deal?

A Assuming that fundraising is behind you, for me, the hardest part of the private equity deal process is exiting your investment.

Reflecting on the last two decades, we were faced with the challenges brought about by COVID-19 in the last ten-year cycle, and the global financial crisis in the prior ten-year cycle, both of which prolonged investment holding periods. Private equity fund managers are required to exit (whether they like it or not), at the end of their ten to twelve year fund lifetime. This is irrespective of any unfavourable macroeconomic conditions at the time, or valuations not being ideal as the comparable companies' are trading lower, or other events specific to the period, such as national elections, loadshedding or interest rates being at an all-time high.

Adding this dynamic to the usual difficulties of trying to time your exit to align with the maximisation of portfolio company performance, managing stakeholder expectations, and making sure that you're exiting at the right price to the right buyer, makes exiting investments a particularly difficult stage of the private equity lifecycle.

Q If you could change one thing on your career path to date, what would it be and why?

A I would prioritise making connections and building networks within the private equity industry earlier in my career. This is something that I've observed many men do effortlessly, but it doesn't seem to be something that many women focus on, particularly early on in their career.

I would definitely have benefited from having access to a wider range of resources, diverse perspectives and opportunities to collaborate with others. In addition, the act of building relationships with others in your field at an early stage, gives you a support base, and is a virtuous cycle – giving you the opportunity to grow your networks, confidence and influence further.

Q Did you have a mentor and if so, what was the most important thing you learnt from them?

A I've had the benefit of working with many people with long and successful careers in private equity over the years, and meeting many others that I've looked up to.

Some of the best learnings I've had are on the softer skills side: i) to be in the detail – adding value to portfolio companies often starts with understanding their business as well they do; and ii) showing up – being present and engaged in all interactions.

FUN FACTS

Favourite restaurant:
This is a difficult one. The restaurant that I go to most often is Bottega in Parkhurst, Johannesburg.

Dog or cat person: Both

Item ticked off your bucket list:
Sabbatical to go traveling for the better part of a year.

Item not yet completed on your bucket list:
Seeing the northern lights in person.

CELEBRATING WOMEN'S MONTH

From our team of women to yours -
Keep inspiring, keep striving and keep realising your dreams!

"Women belong in all places where decisions are being made. It shouldn't be that women are the exception."

Ruth Bader Ginsburg

"*It's not an easy road. You will get people who will disappoint you, but you need to stay focused on your dream. We all learn and become better through our mistakes and challenges.*"

Lilly Alfonso

"Don't settle for average.
Bring your best
to the moment.
Then, whether it fails
or succeeds, at least
you know you gave
all you had.
We need to live the
best that's in us."

Angela Bassett

"*To girls and women everywhere, I issue a simple invitation. My sisters, my daughters, my friends; find your voice.*"

Ellen Johnson Sirleaf

"*Failure is an opportunity to learn and to do better next time. It's part of the path to greatness, which was never meant to be smooth.*"

Khanyi Dhlomo

"*Women need to believe that they can do whatever they set themselves to do, despite the society's pressure and people telling them otherwise. You can only have the power to be a change-maker if you believe in yourself*"

Meaza Ashenafi

"Each time a woman stands up for herself, without knowing it possibly, without claiming it, she stands up for all women."

Maya Angelou

DealMakers®

norrsken22

Natalie Kolbe

Managing Partner

Q&A

Q What led you to pursue a career in Private Equity?

A I read an article on Private Equity and thought it sounded like a great career, but it was and still is a notoriously difficult industry to get into. I got a lucky break when Actis were looking to recruit an analyst in their Joburg office; initially, the recruiter got the brief wrong, so I almost didn't go to the interview. Thank goodness that 'sliding door' moment went my way!

Q Why the decision to move from Private Equity to Venture Capital?

A While I was at Actis, we had already started to do more in the earlier stages, particularly in fintech, and those investments were often the ones that were able to achieve exponential growth. Also, I spent some time with the Venture Capital community to understand future potential deal flow, and was absolutely blown away by the level of activity and the most amazing businesses that were and are being built on the African continent to tackle some of our biggest issues. Technology is the only way that we will be able to bring desperately needed services to a very large and young population at a price point that ordinary Africans can afford. The opportunity was clear and in a fortuitous introduction to Hans and Niklas, Norrksen22 was born to support the thriving VC industry in Africa and one that I'm proud to be a part of.

Q What was the toughest deal you ever worked on and why?

A For sure, the buyout of Alexander Forbes – it was the largest LBO done in Africa at the time. We concluded that deal in July 2007 and, very shortly after that, the global crisis of 2007/8 started. We had to manage a large, highly leveraged business, operating in the eye of the storm, through that, while the financial world was collapsing around us, and with the added complexity of changes in senior management. It was a tough time for everyone involved, but the business that we brought back to the JSE in 2014 was stronger and in a better place, and we were able to deliver some decent returns to our investors.

Q What, in your opinion, is the hardest part of a PE deal?

A Alignment. Both strategic alignment, but also and probably more importantly, values alignment. And this is alignment between management and shareholders, but also between shareholders, to ensure that everyone is rowing the boat in the same direction, with transparency. If people are pulling in different directions, with different agendas, it can be very destabilising.

Q What is your favourite sector to do a deal in and why?

A I have a big personal interest in education. Africa has the youngest population in the world, and its getting younger. The youth is the future of the continent, and our local education systems are not delivering the right outcomes. This is where the private sector can step in and help scale quality education delivery, especially with tech driven solutions.

Q What advice would you give a female entrepreneur looking for funding?

A Network. I know it sounds really easy and obvious, but conscious and deliberate networking is super important. Get your name and business out there. Speak on platforms, conferences, attend events that investors will attend, be proactive in reaching out to investors that you think could be interested in your business.

Q What, in your opinion, is the worst thing an entrepreneur could do when pitching for funding?

A Being unrealistic on forecasts and/or valuation. It just puts investors off from the beginning, and then it's hard to reverse that sentiment. Being open and honest, especially about things that have gone wrong, as things do, creates trust.

Q Do you have a role model or someone your greatly admire and, if so, who are they and why?

A The people I admire the most are the tech entrepreneurs that are working tirelessly to bring scale solutions to our most pressing problems. And it's particularly impressive when they take those solutions internationally and are able to compete and thrive on a global stage.

Q What do you do to unwind and get away from the stress of work?

A I'm a complete extrovert, so I love hanging out with friends. And we are also so blessed to live in a beautiful country with the most amazing bush experiences – so heading to the bush with friends is right up there!

FUN FACTS

Favourite Colour:
Green and Gold – go Bokke!

Current book on your nightstand:
I love science fiction, so currently reading the Wayward Pines trilogy by Blake Crouch.

Dog or cat person;
I am a big animal lover – at one time, I wanted to be a vet – but if pushed, I'd say cats!

Unusual hobbies:
I collect premium tequilas!

Item not yet completed on your bucket list:
Trans-Siberian Express.

SANARI CAPITAL

Sihle Gumede

Partner

Q&A

Q What led you to pursue a career in Private Equity?

A Transitioning into private equity felt like a logical step forward in my career journey. I was aware early on in my career as an article clerk at PWC, that I did not want to stay within audit and that I didn't want to be in financial management. So, I began exploring alternative career avenues and found deal-making particularly intriguing. The opportunity to engage with diverse industries and businesses held significant appeal for me. After a few years in corporate finance, I became interested in what happens after the deal is completed. And the best answer to that question was private equity.

Q What was the toughest deal you ever worked on and why?

A The toughest deals are always the ones that fail to close, particularly the ones that fail after investing a substantial amount of time and effort. Deals where I could see the value of the business partnering with our firm, but where, for varying reasons, the parties couldn't find each other or where there was just too much complexity to get the end. Making the decision to end engagements is always tough, and always leaves a lingering question of "what if?"

Q What, in your opinion, is the hardest part of a PE deal?

A The people part. The numbers, the structuring, the legal documents can be figured out with enough experience and technical skills. Personalities, on the other hand, are quite tricky. I studied accounting and finance – nothing in my university curriculum covered the people and psychology side of things, which is ultimately what most of the job entails.

Q What piece of advice would you give a female entrepreneur looking for funding?

A A study conducted by BCG in 2018 found that female start-up businesses are generally a better bet than male founded start-ups, but conversely, receive significantly less funding. One of the main reasons is that women lack the overconfidence of most male startup founders, despite having a better business

So my advice for women entrepreneurs would be to back themselves and project confidence more assertively in their messaging when looking for funding.

Q What, in your opinion, is the worst thing an entrepreneur could do when pitching for funding?

A The worst thing is having a business plan that is not rooted on realism. What funders are looking for is that the business plan is informed by having a 360 view of your business environment – including market, industry and competitors, etc. This is key to assessing the likelihood for success. An entrepreneur could have an exceptional product or solution, but if they lack an understanding of the market dynamics or how to position their product or solution, then chances of success will be greatly limited.

Q Do you have a role model or someone your greatly admire and, if so, who are they and why?

A I draw admiration from various women leaders in the finance space, and life overall. Maya Angelou has always been my main role model, and even though she has passed away, her life lessons remain profoundly relevant in both personal and business contexts. Her ability to blend personal experience with universal themes is something that resonates deeply, and I often find myself drawing on her words in various business situations.

Q If you could have dinner with any woman in history, who would it be and what would be the first thing you asked her?

A Maya Angelou. Hearing her voice alone, regardless of what she said, would be enough. But I would ask her about the source of her courage in the face of all the challenges she faced in life.

Q What do you do to celebrate the closing of a big deal?

A As a team at Sanari Capital, we always pop a bottle or two of bubbles to celebrate the closing of our deals.

Q hat do you do to unwind and get away from the stress of work?

A I'm an avid traveller, and try to go somewhere new at least once year. Exploring different cultures, food and landscapes offers such a great escape from work and everyday life.

FUN FACTS

Dog or cat person?
Dog. I have two dachshund mixes, who are very naughty but adorable.

Item ticked off your bucket list:
Summitting Kilimanjaro.

Item not yet completed on your bucket list:
I'd love to visit every country in the world. It may be improbable, but I plan on making decent dent on the full list.

Words your colleagues would use to describe you: Reliable, straightforward, detailed.

SUMMIT AFRICA

Q&A

Nthabiseng Thema

Partner & PE Deal Lead

Q What led you to pursue a career in Private Equity?

A I come from an entrepreneurial family; in fact, I am the only person in my immediate family who has a corporate job. Before I started my career in private equity, 10 years ago, I had gained significant experience in the fields of Investment Banking and Management Consulting, working across various sectors and countries. Through my interactions with various entrepreneurs and business owners, I observed a common limitation in how fast or far a business can grow beyond a certain point. This ceiling is often due to the entrepreneur's own knowledge limitations, challenges in securing funding, or difficulty finding the right partners to introduce fresh thinking and innovation from how the business has traditionally been managed. I honestly believe that Private Equity is the answer to most of these challenges.

I firmly believe that private equity has the potential to drive significant economic growth across the African continent by providing essential capital and non-financial support to business owners, enabling them to scale their enterprises. This includes developing and implementing growth strategies, exploring avenues for increasing revenue, and implementing cost optimisation initiatives. By working closely with management, private equity can add substantial value to investments.

I chose a career in private equity because I am passionate about making a meaningful impact and fostering growth in African businesses. While not all deals will unfold as anticipated, I value the commitment to enhancing value and creating positive impacts through every investment.

Q What is your favourite sector to do a deal in and why?

A The ICT/Technology sector because it has the ability to enhance operations across various sectors. Technology serves as a catalyst for growth and efficiency in numerous fields. Recently, companies have begun leveraging technology to deliver essential products and services to underserved communities. These sectors include financial services, education, agriculture/food security, transport, logistics, manufacturing healthcare and many more. The truth is, technology influences every aspect of human life and has the potential to have a meaningful and positive impact on the lives of many people, which is why I enjoy working in this sector.

Q If you could change one thing on your career path to date, what would it be and why?

A If I'm being honest, there's nothing I would change about the path that has led me to where I am today. While I wish it hadn't taken as long as it did, I wouldn't alter any decision I've made along my journey. I've gleaned valuable lessons from every company I've worked for, each contributing skills and experiences to my 'toolbox', which I leverage in every deal I'm involved with. That being said, I do wish I had invested more time in finding and building relationships with the right mentors – it feels like a significant missed opportunity for me. I believe I might have made different decisions regarding certain aspects of my career path if I had taken the time to find the right mentors and guides.

Q What, in your opinion, is the worst thing an entrepreneur could do when pitching for funding?

A Finding the right equity partner is one of the most important decisions you will ever make as an entrepreneur. The worst thing you can do when pitching for funding is not taking the time to really understand how your potential funding partner works, and not making sure that your values and vision for the future of your business are aligned.

Additionally, it is crucial to:

(a) clearly demonstrate your track record, experience and your business's unique value proposition;

(b) clearly articulate your business strategy, growth potential, and what you require from an equity partner to realise your vision; and

(c) understand that a private equity partner will eventually want to exit, so you and your equity partner should begin planning for that exit as early as possible. As a business owner, it's important to be comfortable with the potential trade-offs that may need to be addressed upfront to facilitate an easier exit for your equity partners.

Nothing can make a potential equity partner reconsider an investment quicker than a business owner who does not seem to truly understand their business and what is needed for it to grow.

Q What do you do to unwind and get away from the stress of work?

A I spend an inordinate amount of time on TikTok, watching meaningless, mind-numbing videos. It helps me relax, and as a bonus, it makes me look forward to having proper, grown-up conversations when I go back to work. I also paint and use colouring books.

FUN FACTS

Favourite Colour: Black

Dog or cat person: Definitely a dog person. I have a Rottweiler and a Labrador … I know … it is not a very usual combination.

Words your colleagues would use to describe you: Direct, passionate, ambitious, strategic, and results-orientated.

Item not yet completed on your bucket list: I would really like to go skydiving. I am not sure I have the stomach for it, but I would like to try.

Your worst trait: I can be too direct sometimes. I am working on it… not consistently, but I am working on it.