

ENEXUS FINANCE

M&A IN AFRICA

Our first five years
2018-2023

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Naukluft Park, Namibia

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FOREWORD

In 2023, Enexus celebrates its fifth anniversary. We created Enexus in 2018 as an M&A boutique focused on Africa, with the objective of providing M&A and fundraising services to corporates, SMEs, private equity funds, family offices and other private investors throughout the continent. After many years working on the investment side in Africa, we had indeed realized that such services remained limited and that it was a real impediment to investment on the continent.

However, M&A in Africa is not easy: economic and political instability, poor access to information, an undeveloped advisors' ecosystem, and limited access to local financing to leverage transactions are just a few of the constraints faced by investors and, in turn, M&A advisors. These obstacles lead to higher transaction costs, longer processes and greater uncertainties than in other parts of the world. In that context, determination and stamina are essential. But in return, opportunities are more rewarding for investors: competition is limited and growth potential is certainly higher than elsewhere. Population is rapidly growing, especially youth, and purchasing power is rising fast, while the offering of goods and services – including basic ones – still remains limited.

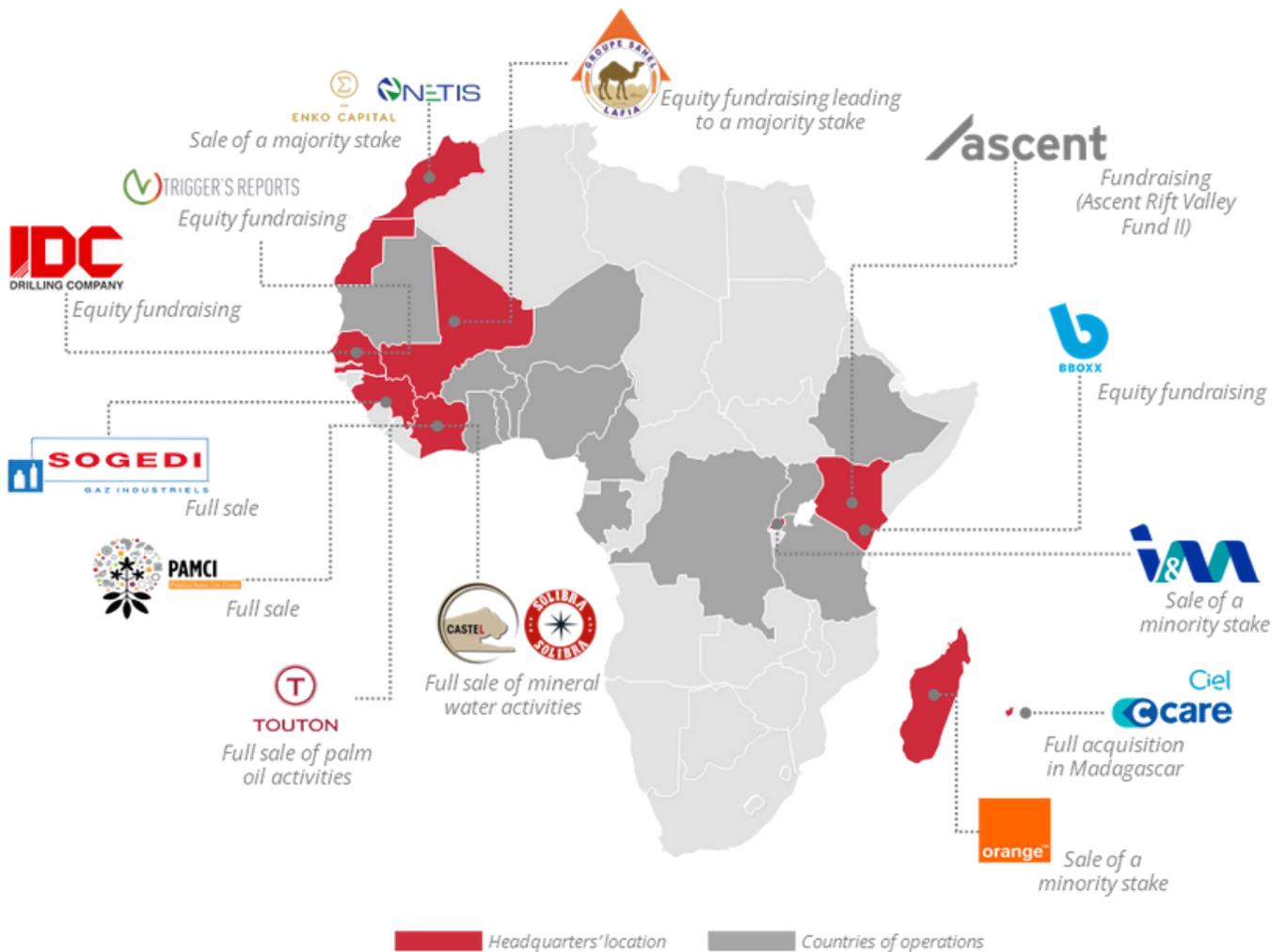
Our job as M&A advisors is to facilitate transactions so as to attract more investment to Africa. This is what we try to illustrate in the following presentation with a few examples of transactions we closed in these past five years. In those projects – Groupe Sahel in Mali, Burkina Faso and Niger, Castel Group in Côte d'Ivoire, Netis Group in West and East Africa, and I&M in Rwanda – Enexus endeavored to bring the right partners together, to structure transactions aligning the interests of all parties, and to pave the way for sustainable investments. We have completed more than ten other transactions in various industries – healthcare, agribusiness, finance, manufacturing, services, telecom and energy – and always kept these goals in mind.

These first five years confirmed our initial view that a solid ecosystem of M&A services is a strong catalyst to investment in Africa. It is progressing but a lot remains to be done. We are thus ambitious to pursue Enexus' development and to consolidate our network throughout the continent.

Thank you to all our clients and partners who have placed their trust in us and with whom we have enjoyed working over these first five years.

Julien Lefilleur, Founding Partner

ENEXUS IN A NUTSHELL



13 transactions closed
 in **9** countries (head offices)
 covering **22** countries of operations
 in **10** industries

2
Offices
Paris **Abidjan**

An aerial photograph of a coastline. On the left, there is a dark green, forested area. On the right, there is a yellowish-brown, arid landscape, likely a desert. The text "SELECTED TRANSACTIONS" is overlaid in the center in a bold, black, sans-serif font.

SELECTED TRANSACTIONS

GROUPE CASTEL

Handover from a multinational to a leading regional player: the successful sale of Castel's mineral water operations in Côte d'Ivoire to Groupe Carré d'Or

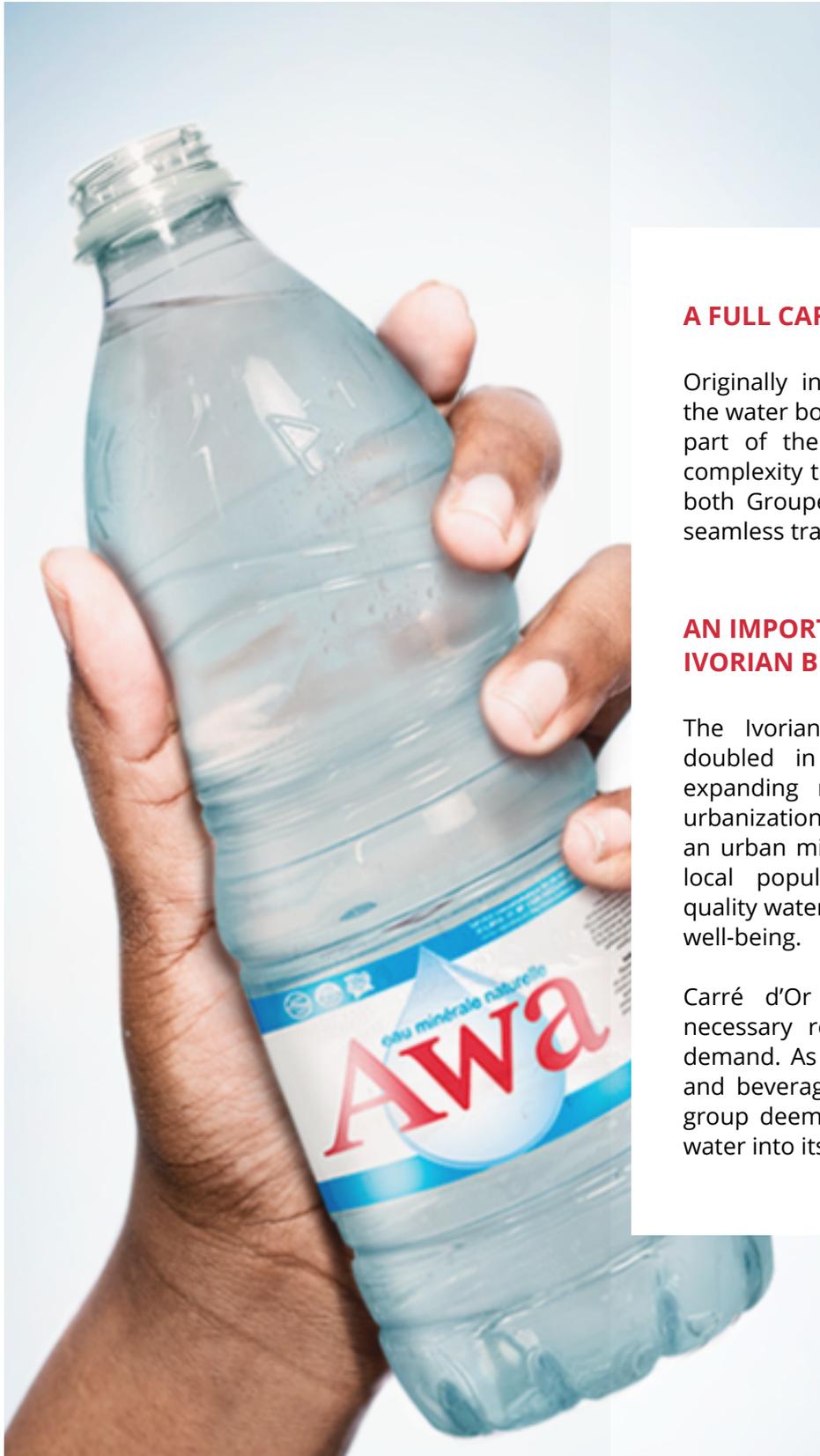


THE RIGHT BUYER FOR A VALUABLE ASSET

Founded in 1949, Castel Group is one of the main producers and distributors of beer and soft drinks in Africa. Through its Ivorian subsidiary Solibra, Castel has been supplying the local market with bottled water for over 20 years and has become the second largest player with its two brands, Awa and Cristaline. In 2021, Solibra decided to refocus on its core business and sell its water bottling activity, in line with Castel's ambition to make its activities independent from plastic packaging in favour of glass packaging.

Founded in 1988, Carré d'Or is one of the largest private groups in Côte d'Ivoire. Over the years, the group has grown into a leading player in the agro-food industry, with a consistent long-term strategy geared towards the entire food and beverage value chain. Solibra's sale proved a good opportunity for Carré d'Or to reinforce its presence in the beverage industry.

Thanks to a solid offer, Carré d'Or successfully finalized the acquisition of Solibra's water bottling activity in April 2023.



A FULL CARVE-OUT

Originally integrated into Solibra's operations, the water bottling activity was fully carved out as part of the sale process. Although it added complexity to the transaction, the experience of both Groupe Castel and Carré d'Or enabled a seamless transition.

AN IMPORTANT TRANSACTION FOR THE IVORIAN BEVERAGE INDUSTRY

The Ivorian market for bottled water has doubled in the last ten years and keeps expanding rapidly, supported by a growing urbanization, and improving living standards. As an urban middle class is rising in Côte d'Ivoire, local population is increasingly demanding quality water, with a specific focus on health and well-being.

Carré d'Or is determined to dedicate the necessary resources to address this growing demand. As a local player focused on the food and beverage value chain in Côte d'Ivoire, the group deemed it essential to reinforce bottled water into its development strategy.



"This transaction has been a turning point for the Castel Group in Côte d'Ivoire, as we reviewed our positioning and decided to divest our PET beverage activities. Passing on this activity and ensuring its continuity was fundamental to us as Awa and Cristaline are historical brands which have become part of the Ivorian daily life. Carving-out added complexity and required us to approach the right buyers, capable of transferring smoothly this activity to their own operations. Enexus played a key role in the process through its understanding of the Ivorian market and the transactional constraints of a carve-out situation. Enexus successfully leveraged its broad network to help us find an investor that met our expectations."

Laurence Dequatre, Castel Afrique, Chief Financial Officer

GROUPE SAHEL

Building bridges between regions of Africa: the successful equity fundraising of Groupe Sahel resulting in a majority stake for Moroccan group Forafric



A SUCCESSION STORY

Founded in 2011 by Malian entrepreneur Houd Baby, Groupe Sahel has quickly become a key player in cereal processing in the Sahel region. With a production capacity of 600 tons per day through its subsidiaries in Mali, Burkina Faso and Niger, the group is the only regional player operating in three different countries. Groupe Sahel has drawn on its local roots and experienced management to build strong brands, such as Lafia, its flagship brand in Mali.

Founded in 1926, Forafric, is a leading agribusiness company in North Africa. With seven industrial units, Forafric is the largest milling company in Morocco, producing a complete range of flour and semolina, as well as transformed products such as pasta and couscous. With a limited presence in sub-Saharan Africa, Forafric was looking for the right investment opportunity to launch its ambitious expansion plan south of Sahara.

Looking to consolidate Groupe Sahel, while managing its succession at the same time, Mr Houd Baby's plans offered a key opportunity for Forafric, which completed majority investments in 2021.

MULTIPLE OBJECTIVES FOR A COMPLEX TRANSACTION

This operation combined capital injections, to restructure the debt and fund a capex plan, with a succession plan, as the control was transferred to Forafric while Mr Baby remained involved in the governance as a minority shareholder. Finding the right structure to align interests, while prioritizing the needs of the company, all that in an unstable Sahelian environment, made the transaction as complex as it was unique.

A MAJOR TRANSACTION FOR FOOD SECURITY IN SAHEL

Ensuring food security is critical for Sahelian countries. For the past decades, demand for cereals has been on an upward trend in the region, mostly driven by demographic growth. Regional millers must reach a critical size to benefit from economies of scale and diversify product offering. This transaction puts Groupe Sahel on the right track to achieve said size. Combining the financial strength and expertise of a leading Moroccan player with the agility and local knowledge of a regional miller is arguably the right formula to build a regional champion.



"The fundraising came at a turning point for Groupe Sahel. Following a period of strong growth, our group was looking for a strategic partner to support future development and meet growing demand in the region. Thanks to Forafric historical know-how and our local expertise, we are now ideally positioned to become a West African champion. Enexus Finance played a key role throughout the process, from selecting potential investors to closing the transaction. Their expertise enabled them to advise me on all issues involved in such a transaction, including the management of financial, legal and tax due diligence, valuation, the structuring of the operation, and the role of various shareholders and managers post-transaction. Enexus' support in the deal structuring and negotiations was instrumental to the success of the operation."

Houd Baby, Groupe Sahel, Chairman and founder

NETIS

Taking a pan African champion to the next level: the successful takeover of Netis by a consortium formed by Amethis, Africinvest, Proparco and IFC



A CONSORTIUM OF PRESTIGIOUS FINANCIAL INVESTORS FOR A FAST-GROWING LEADER IN THE TELECOM INDUSTRY

Netis has undergone a massive change of scale over the course of just 15 years. The group was initially established in 2009 to serve its clients in Ghana and in its very first years of operations, it was focused on the supply of telecom equipment to telecom tower companies ("TowerCos"). The group has since then grown to become a leader in the provision of telecom network services in Africa, with a presence in 14 countries across Eastern and Western Africa and a workforce of over 3,200 employees. Netis is today one of the main players on the continent providing installation and maintenance services for telecom towers and optic fiber networks.

In 2018, Enko Capital Managers took a minority stake in Netis through Enko Africa Private Equity Fund ("EAPEF"), a private equity fund targeting mid-cap companies across Africa. This investment was increased in 2020 giving Enko the majority in Netis' shareholding. Over these five years as a shareholder, Enko has been a strong driving force behind Netis' change of scale.

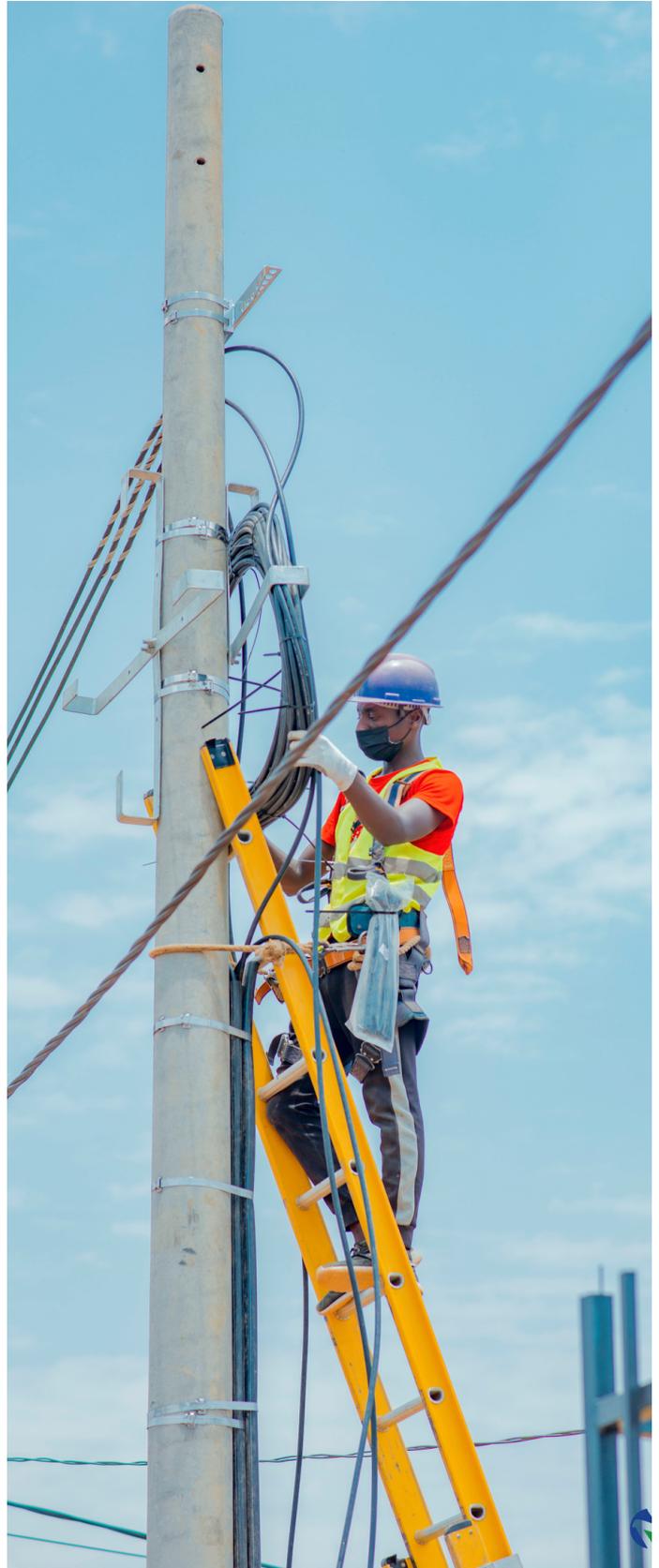
With in total close to EUR 3bn raised and invested in the past three decades, Amethis and Africinvest have been instrumental in shaping the private equity industry in Africa. Joined by two of the largest development finance institutions active in Africa, IFC and Proparco, they formed the ideal consortium to manage one of the largest takeover of the African private equity industry in 2023.

A LARGE AND COMPLEX TAKEOVER

Such large takeovers are uncommon in Africa, and the extensive geographical presence of Netis – 14 jurisdictions in both Anglophone and Francophone Africa – added even more complexity. Very few buyers have the financial capacity and the necessary expertise to carry out such large and complex transactions in Africa. To generate sufficient competition, it was essential to run the process so as to enable the formation of consortiums to compete with individual buyers. As the founders decided to stay as minority shareholders, aligning their interests with those of the sellers and the buyers became another determining factor of the success of transaction, adding a bit of salt to the negotiations.

THE BIRTH OF AN AFRICAN MULTINATIONAL?

Failure to manage succession from the founders is one of the main obstacles to building large independent companies in Africa. Growing a family group into a multinational requires the founders to gradually relinquish control while securing the necessary financial backing to remain independent. This is exactly what this transaction achieved. Netis founders have been successful in growing Netis from a company focused on supplying equipment to a single client in Ghana into a group providing a large range of telecom network services in 14 countries. Backed by strong financial shareholders, they have the resources to pursue their journey independently and reach the next level... and, why not, becoming an African multinational?





"This transaction is a landmark deal for Enko Capital, and beyond, for the African private equity space at large. This success is the outcome of a conscious strategy by our team to prepare for the exit years in advance, and to organize a full-fledge and structured M&A process to stimulate competition. Enexus has been instrumental in assisting us through this rewarding journey."

Cyrille Nkontchou, Enko Capital, Managing Partner



"This transaction is a key milestone for Netis that will allow us to grow at an even increased pace. I am confident that we will look back on it as one of the turning points on the critical path to build a pan-African champion. Enexus has definitely made a difference by attracting some of the most reputable anchor investors to back our group in the coming years."

Jean Farhat, Netis, co-founder and Group CEO

I&M RWANDA

From an Africa-focused PE fund to a prominent local businessman: the purchase by Mr Egide Gatera of Kibo's shares in I&M Rwanda, a listed subsidiary of I&M Group



A LONG-TERM INVESTOR ABLE TO BRING VALUE TO A WELL-ESTABLISHED BANK IN RWANDA

I&M Group is a leading East African banking group listed on the Nairobi Stock Exchange. The group mainly operates in Kenya, along with subsidiaries in Rwanda, Uganda, Tanzania and Mauritius. Founded in 1963 as Banque Commerciale du Rwanda, then acquired by I&M Group in 2012, I&M Rwanda is the second largest bank in the country.

Mr Egide Gatera is a leading businessman in Rwanda and East Africa. He is the founding shareholder of the oil company Société Pétrolière and the agribusiness company Rwanda Mountain Tea. Mr Gatera also holds diversified interests in the banking and insurance industries in Rwanda, as well as in real estate, tourism, and energy.

Kibo Capital Partners, a private equity management company with two funds under management, has been a minority shareholder in I&M Rwanda since 2017. Looking to exit while achieving a satisfactory return on investment and bringing a valuable partner to I&M Group, Kibo finalized the sale of its stake to Mr Gatera in 2021.



THREE PARTIES AND TWO FINANCIAL REGULATORS INVOLVED

With this investment, Mr Gatera became the third largest shareholder of I&M Rwanda, behind I&M Group and Africinvest. After aligning Kibo's and Mr Gatera's expectations, the transaction had to be structured in full cooperation with I&M Group, which approved the new shareholder. I&M Rwanda being listed on the Rwanda Stock Exchange, the transaction required the approval of Rwanda capital market authorities, in addition to the customary approval from the Central Bank of Rwanda.



A VALUABLE LOCAL EXPERTISE WHICH WILL BENEFIT THE WHOLE BANKING SECTOR

Despite a solid operational establishment of I&M Rwanda, shareholders were still looking for a reliable Rwandan partner who could bring local market intelligence. Mr Gatera is a prominent Rwandan entrepreneur and investor, with a thorough understanding of the Rwandan market, and a successful track-record in the banking and financial sector. His experience of the Rwandan economy is undoubtedly a valuable asset to I&M Rwanda, and the banking sector as a whole.





“Our ambition is to strengthen our market position in Rwanda and benefit from the compelling growth of the country’s economy. The acquisition of Kibo’s stake by Mr Egide Gatera shows the confidence Rwandese businessmen have in I&M. Enexus’ financial expertise and understanding of our business was very helpful. In particular, we appreciated Enexus’ skillful understanding of all three parties’ – the buyer, the seller, and ourselves – expectations and interest, which was instrumental to bring the transaction to fruition”.

Sarit Raja-Shah, I&M Group, Group Executive Director and representative of the founding family



“We invested in I&M Rwanda at the time of the IPO, in 2017, and supported the bank in its expansion as it grew its customer base and embarked on a process of digitalization. We exited in 2021 to Mr Egide Gatera. As a private equity fund, we were happy to pave the way for a Rwandan entrepreneur to step in and bring his expertise and know-how. Leveraging its extensive network and knowledge of the region, Enexus supported us to bring the right investor at the right time and engage in fruitful discussions leading to this successful exit.”

Thierry Hugnin, Kibo Capital Partners, Managing Partner

OTHER TRANSACTIONS

<p>M&A</p>  <p>Acquisition of</p>  <p>Health</p> <p>Madagascar – 2023</p>	<p>Leading operator in healthcare in Mauritius and sub-Saharan Africa, looking to expand in Madagascar through acquisition</p>	<p>Equity fundraising</p>  <p>Undisclosed amount from</p>  <p>Security & Tech</p> <p>West Africa – 2023</p>	<p>Start-up offering risk intelligence services to companies operating in Africa, looking for additional funds to expand further in Africa and develop new services</p>	<p>M&A</p>  <p>Sale of palm oil activities to</p>  <p>Agribusiness</p> <p>Ivory Coast – 2023</p>	<p>Leading player in the international trading and processing of tropical agricultural raw materials looking to refocus on its core business and sell its palm oil activities in Ivory Coast</p>
<p>Equity fundraising</p>  <p>Ascent Rift Valley Fund II USD 128m</p> <p>Private Equity</p> <p>East Africa – 2022</p>	<p>Fast-growing East African fund - dedicated to manufacturing, consumer goods, healthcare, and financial services – looking to attract private investors in its fundraising</p>	<p>Equity fundraising</p>  <p>Undisclosed amount with</p>  <p>Mining services</p> <p>West Africa – 2022</p>	<p>Major local player offering drilling services to the mining, construction and water industries, willing to consolidate its operations in West Africa</p>	<p>M&A</p>  <p>Full sale of</p>  <p>Agribusiness</p> <p>Ivory Coast – 2021</p>	<p>South African investment company specialized in food processing, searching for an investor to takeover a cassava processing unit in Ivory Coast</p>
<p>M&A</p>  <p>Full sale to</p>  <p>Industrial gas</p> <p>Guinea – 2021</p>	<p>Leading family-owned company producing and distributing industrial gas in Guinea, looking to sell the company</p>	<p>M&A</p>  <p>Sale of a minority stake in</p>  <p>Madagascar Telecom</p> <p>Madagascar – 2021</p>	<p>Consortium of minority investors looking to divest its stake in Orange Madagascar, the second largest telecom operator in the country</p>	<p>Equity fundraising</p>  <p>USD 50m from</p>  <p>Energy</p> <p>Africa – 2019</p>	<p>Pan-African solar home systems supplier, wishing to expand its activities in new countries</p>

An aerial photograph of a coastal region, likely Casamance, Senegal. The image shows a large river delta with a complex network of channels and islands. The water is a mix of light blue and turquoise. The land is a mix of brown, tan, and green, indicating a mix of urban, agricultural, and natural areas. A city is visible in the upper right quadrant, with a green dot marking a specific location. The text "LOOKING AHEAD" is overlaid in the center in a bold, black, sans-serif font.

LOOKING AHEAD

WHERE DO WE SEE A HIGH POTENTIAL FOR SELLERS AND INVESTORS, AND WHERE DO WE FOCUS OUR EFFORTS?

We believe that traditional industries – such as, for instance, agribusiness, manufacturing, banks or insurance – are still offering the greatest opportunities for investors in Africa. While these industries are still far from reaching their full potential, a lot of multinational companies are currently divesting their African assets, usually considered as too small and non-core. Local family groups, which reached maturity and need to manage transmission, also offer valuable opportunities for investors interested in these industries.

TRADITIONAL SECTORS STILL THE MOST ATTRACTIVE

The VC industry has grown fast in recent years, with tremendous success stories – such as Interswitch, Twiga Foods or Sun King (ex-Green Light Planet) – which were largely showcased in the financial press. In contrast, traditional sectors such as agribusiness, manufacturing, brick and mortar retail, or construction materials – to name a few – seem to attract less media coverage. Yet, these sectors are still the main contributors to GDP and employment in Africa. Driven by strong fundamentals and resilient over business cycles, they tend to display solid growth rates and offer high rates of returns for investors. Leading investors tend to focus on such traditional industries. Although not very innovative in nature, we believe these sectors hold considerable potential in Africa as they address the still underserved essential needs of a growing population.



MULTINATIONAL'S DIVESTMENTS: A GREAT OPPORTUNITY FOR AMBITIOUS INVESTORS

Recent years have seen an increasing number of disposals from multinationals streamlining their asset base in Africa. The trend has been particularly strong in the banking industry, but other sectors – insurance, cement or energy for instance – are following suit, usually driven by strategic refocusing. We believe this trend will endure, if not reinforce. This creates attractive opportunities, which have so far mostly been seized by African players and PE funds.

BRIGHT PROSPECTS FOR FAMILY COMPANIES OPEN TO A GRADUAL EXIT

Family-owned groups, which reached maturity and need to manage succession, also offer great opportunities. Most successful entrepreneurs in Africa have indeed built their groups in those traditional industries, and are not always able or willing, when the time has come, to pass on their companies to the next generation. These assets can prove valuable for financial or strategic investors. With additional financial resources, technical expertise, streamlined processes and economies of scale, professional investors can deliver solid growth and productivity gains in those companies. If thoughtfully planned, these take-overs can greatly benefit founding families who are instrumental to their success. When they are willing to accompany the transition, which is usually highly valued by investors, a full exit at a later stage can be mutually agreed to maximize valuations and returns for both parties. The number of PE or mezzanine funds specialized in such take-overs has significantly increased in recent years, offering attractive options to founders.



OUR PEOPLE

OUR PEOPLE



Julien Lefilleur

Managing partner, Paris

Over 20 years of experience in structuring financings and investments in Africa
Former Proparco's Global Head for Manufacturing, Agribusiness, Health & Education, Real Estate and Services
Former Proparco's Regional Head for West Africa
Graduated in Engineering from Ecole Centrale Paris and holds a PhD in Economics from La Sorbonne University



Clément Marchand

Partner, Abidjan

Over 12 years of experience originating and executing transactions in Africa
Former Investment Professional covering West Africa at Proparco, then Senior Investment Professional in charge of the Agribusiness team in Paris
Graduated with a Master's Degree in Finance from Paris-Dauphine and with an MS in Finance from London School of Economics



Daniel Outré

Director, Paris

Over 12 years of experience in finance with a focus on Africa
Former Senior Private Equity Professional at Proparco executing investment transactions in various industries including healthcare, education, FMCG and catering
Graduated from Ecole Normale Supérieure (Paris-Saclay), SciencesPo Paris and Paris School of Economics ; CFA charterholder



Jean Laurent Pyndiah

Associate, Paris

Former Senior Consultant in the Transaction Services department at EY
Conducted over 20 financial due diligences both in sell-side and buy-side capacity
Graduated from Ecole Normale Supérieure (Paris-Saclay)



Pénélope Jay

Analyst, Paris

Former Private Equity Analyst at Adenia Partners in Abidjan
Former Real Estate Investment Analyst at Onomo Hotels Group in Casablanca
Graduated from ESSEC Business School



Santiago Haffner

Analyst, Abidjan

Former Investment Officer at Proparco
Former Analyst in the Economic Department of the French Embassy in Angola
Graduated from SciencesPo Paris



Léa Bardoux

Analyst, Abidjan

Former Portfolio Manager at BNP Paribas Wealth Management in Luxembourg
Former External Manager at Caisse des Dépôts et Consignations
Graduated from Paris-Dauphine

CONTACT US



ENEXUS FINANCE

11 BIS RUE DE MILAN

75009 PARIS, FRANCE



JULIEN LEFILLEUR

julien.lefilleur@enexus-finance.com

[+33 7 87 78 52 51](tel:+33787785251)



ENEXUS FINANCE WEST AFRICA

RUE B15, ESPACE THEREN

VIEUX COCODY - ABIDJAN

CÔTE D'IVOIRE



CLÉMENT MARCHAND

clement.marchand@enexus-finance.com

[+225 07 08 50 14 35](tel:+2250708501435)