Stears

Q3 2024

Private Capital in Africa

Analysing trends in private capital deployment in Africa.

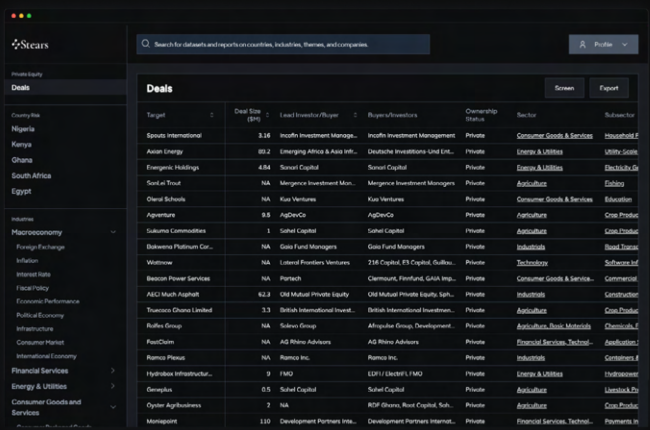
stears.co

About Stears

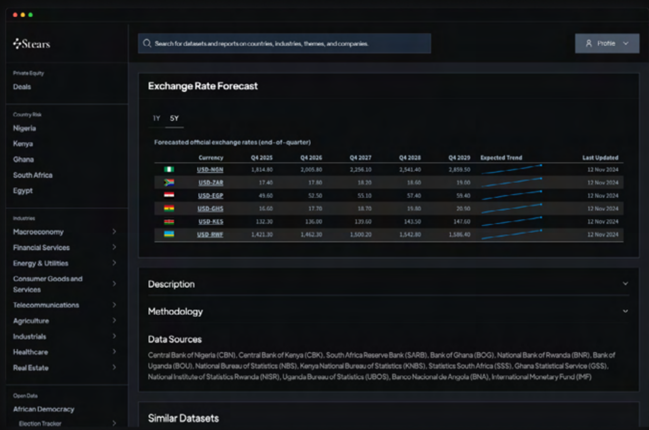
Stears is the most comprehensive financial data and research platform for African fund managers, corporates and service providers. For Africa-focused investors, Stears provides access to a private transactions & deals database, robust company profiles, industry research, and macro data for country risk analysis.

By combining hard-to-find data with proprietary enrichment and forecasts, Stears accelerates the deal process.

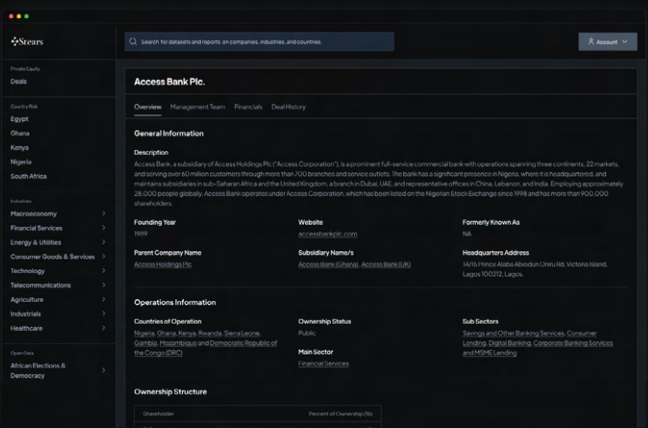
TRANSACTIONS DATABASE



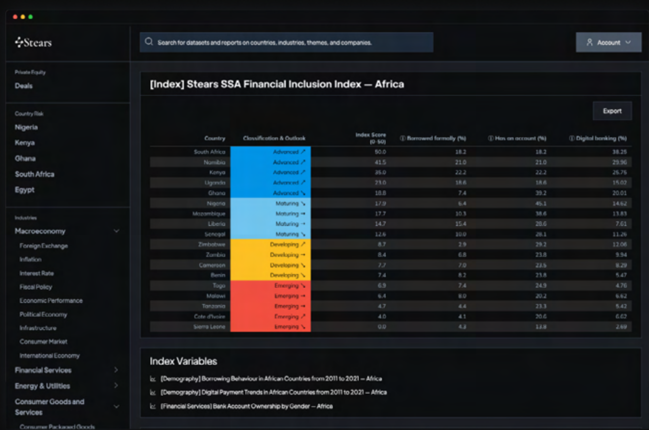
FORECASTS



COMPANY PROFILES



INDUSTRY ANALYSIS



Request a Trial

London

Okemdi Chukwu
Client Solutions Lead
okemdi.chukwu@stears.co

London

Yvette Dimiri
Chief Revenue Officer
yvette.dimiri@stears.co

Lagos

Ugonna Iheme
Head of Strategy
ugonna.iheme@stears.co

Content

Stears Private Capital in Africa Report: Q3 2024

The Stears Private Capital in Africa Report is a quarterly analysis of African private market transactions. It examines key trends in private investments, providing valuable insights for fund managers and corporate decision-makers on the countries, industries, and companies attracting private capital

.

This report is derived exclusively from the Stears Private Deals Database, accessible through the Stears Data Platform. The database monitors private market activity in Africa, focusing on growth equity, private equity, private debt, infrastructure financing, and mergers and acquisitions.

Methodology

The Stears Private Capital in Africa Report is based exclusively on data from the Stears Private Deals Database, available through the Stears Data Platform. Deals in the database are compiled from reliable third-party sources, such as company websites, press releases, and investor reports, and at least two separate sources independently verify each recorded deal.

Geographical and Sector Classifications

A single deal may be associated with multiple countries/regions or sectors, reflecting the operational scope of the company involved. Consequently, regional and sector totals often exceed the underlying total number of deals. As such, percentage shares in geographical and sector analyses will not sum to 100%.

Key takeaways

1. **Deal Count and Value:** Stears recorded 73 private market deals in Q3'2024, including 39 deals with a combined disclosed value of $2.27 billion.
2. **Equity Dominance:** 75% of transactions included an equity component, 71% being strictly equity-based, compared to 19% for debt.
3. **Sector Activity:** Financial Services led activity, accounting for 33% of all deals, followed by consumer goods (19%) and energy (18%).
4. **Regional Leaders:** Southern Africa led with 45% of deals, followed closely by East Africa (41%) and West Africa (33%).
5. **Country-Level Concentration:** South Africa and Kenya each contributed 33% of all deals, dominating activity in their respective regions.
6. **Sectoral Regional Disparities:** East and West Africa were overrepresented in financial services (46% of all sector deals), while West Africa excelled in energy transactions (46%).
7. **Stears Big 5 Economies:** South Africa, Kenya, Nigeria, Ghana, and Egypt together participated in 85% of all deals, underscoring their investor appeal.
8. **Debt Trends in Other Countries:** Non-Big 5 countries' deals were more reliant on debt financing, comprising 28% versus 18% for the Big 5.
9. **Single-Country Deals:** 64% of all deals were single-country investments, with South Africa, Egypt, and Kenya leading. Agriculture was the most localised sector, with 91% single-country deals.
10. **Technology Investments:** All technology deals in Q3 involved companies from the Big 5 economies, demonstrating their strong enabling environments for innovation.

Overview of private market investment activity

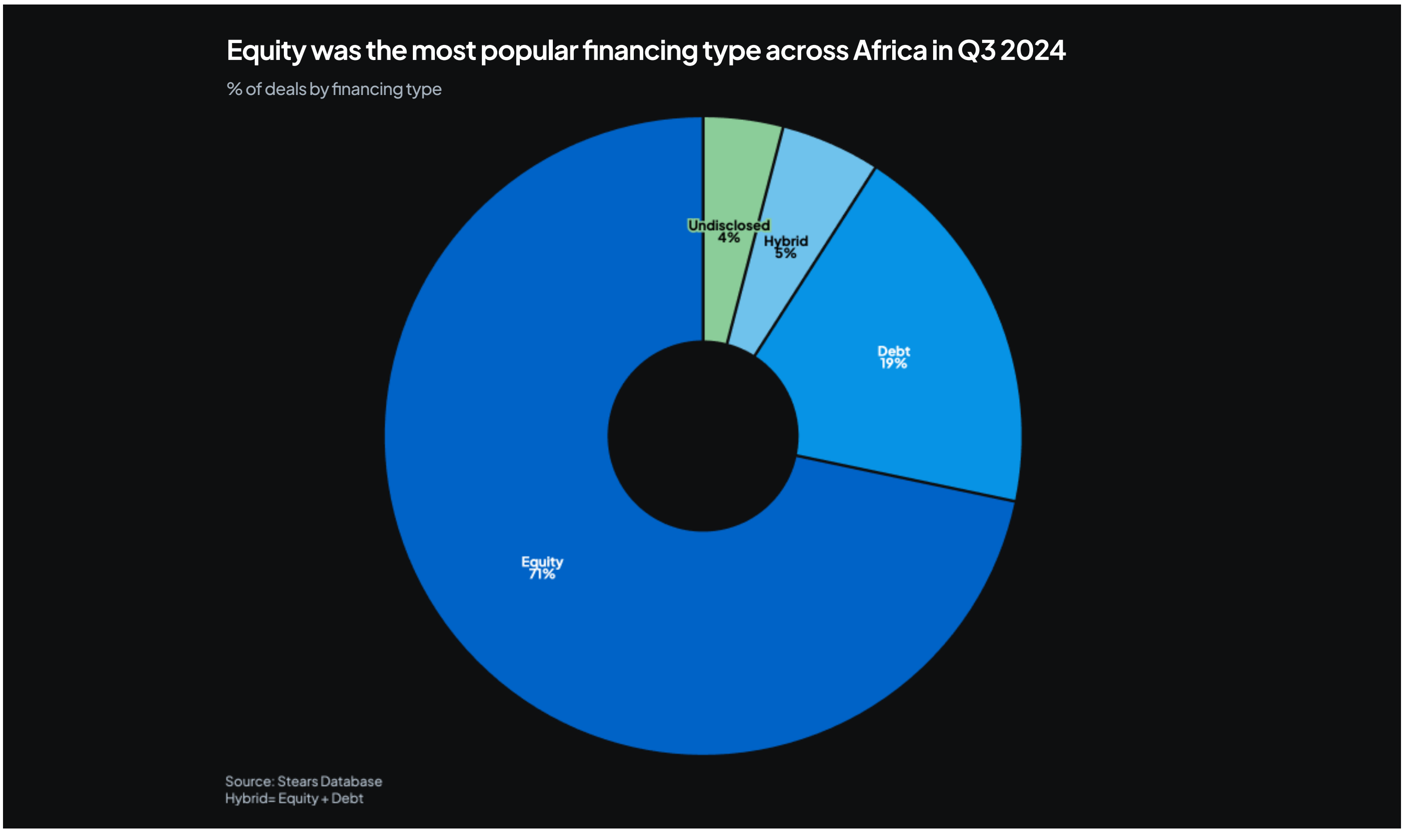
In Q3 2024, Stears recorded a total of 73 private market deals, of which 39 disclosed a combined value of $2.27 billion. These transactions reflect the continued vibrancy of private market activity across Africa. A standout deal during the period was Oando PLC's $783 million acquisition of the Nigerian Agip Oil Company (NAOC), Eni's wholly-owned subsidiary in Nigeria. This transaction highlights the ongoing strategic shifts within Africa's energy sector.

In East Africa, African Frontier Capital provided a notable $176 million non-equity funding to D.Light, a solar home systems company that continues to expand access to affordable, clean energy solutions across the region. Meanwhile, in the financial technology sector, M2P Fintech, a banking-as-a-service provider, secured a significant $100 million in Series D funding led by Helios Investment Partners. This deal underscores the enduring interest in Africa's fintech sector, which remains a key driver of private market activity.

The deals recorded by Stears during Q3 2024 primarily include private equity and private debt transactions, along with late-stage venture capital investments and significant mergers and acquisitions (M&A). These activities collectively highlight the dynamic nature of Africa's private market and the diverse opportunities it offers to investors.

Financing Trends: Equity and Debt Activity Across the Continent

Equity investments dominated private capital transactions across Africa in Q3 2024, with 75% of recorded deals including an equity component and 71% being purely equity-based. Debt financing accounted for 19% of transactions, rising to 24% when hybrid structures are included. However, regional variations are notable. Central Africa, the region with the fewest private capital deals, recorded the highest proportion of debt financing, with one-third of its transactions being debt-based—10 percentage points higher than East Africa's 23%. Equity-focused deals were most prevalent in North and Southern Africa, where North Africa led in deals with an equity component (86%), and Southern Africa recorded the highest share of equity-only transactions (79%).



A closer look at sector activity reveals how financing trends vary across African industries. In Q3 2024, debt financing was heavily concentrated in agriculture and energy, accounting for 79% of recorded debt deals—more than double their contribution to all private capital transactions (33%).

Notable debt investments include Vantage Capital's $15.6 million (€14 million) mezzanine funding for Société de Production Maraîchère Samir (SPMS), a high-yield agricultural producer in Morocco, and Mirova's Gigaton's $15 million long-term debt investment in SolarAfrica, a South African renewable energy Independent Power Producer.

In contrast, pure equity investments were predominant in most other sectors, including consumer goods (86% of all deals) and technology (90%). An exception in the technology sector was Terrapay's $95 million loan package aimed at expanding its African operations.

The financing, sourced from OP Finnfund Global Impact Fund I, Belgian BIO ($30 million), International Finance Corporation ($30 million), impact investor ILX ($15 million), and the UK's BII, reflects the growing interest in supporting digital infrastructure across the continent.

Central Africa has the highest rate of debt-financed deals among other regions

Deal volumes by region

Sector	Debt	Equity	Hybrid (Debt + Equity)	Undisclosed
East Africa	23%	73%	3%	0%
North Africa	14%	71%	14%	0%
Central Africa	33%	67%	0%	0%
Southern Africa	18%	79%	0%	3.0%
West Africa	17%	71%	8%	4.2%

Source: Stears Database

Deal financing type varied across sectors

% of deal volumes by financing type and sectors

Sector	Debt	Equity	Hybrid (Debt + Equity)	Undisclosed
Agriculture	45%	55%	0%	0%
Consumer Goods & Services	0%	86%	7%	7%
Energy & Utilities	46%	46%	0%	8%
Financial Services	13%	67%	13%	8%
Healthcare	0%	100%	0%	0%
Industrials	33%	67%	0%	0%
Technology	10%	90%	0%	0%
Telecommunications	0%	100%	0%	0%

Source: Stears Database

Sectoral Insights

Financial Services emerged as the most active sector in Q3 2024, accounting for one-third of all recorded private capital deals on the continent—nearly double the share of the next largest sector, consumer goods (19%). This highlights the strong investment appeal of financial services operators in Africa. Payments (29% of deals) and MSME lending (20%) led the activity within the sector. Notable investments included:

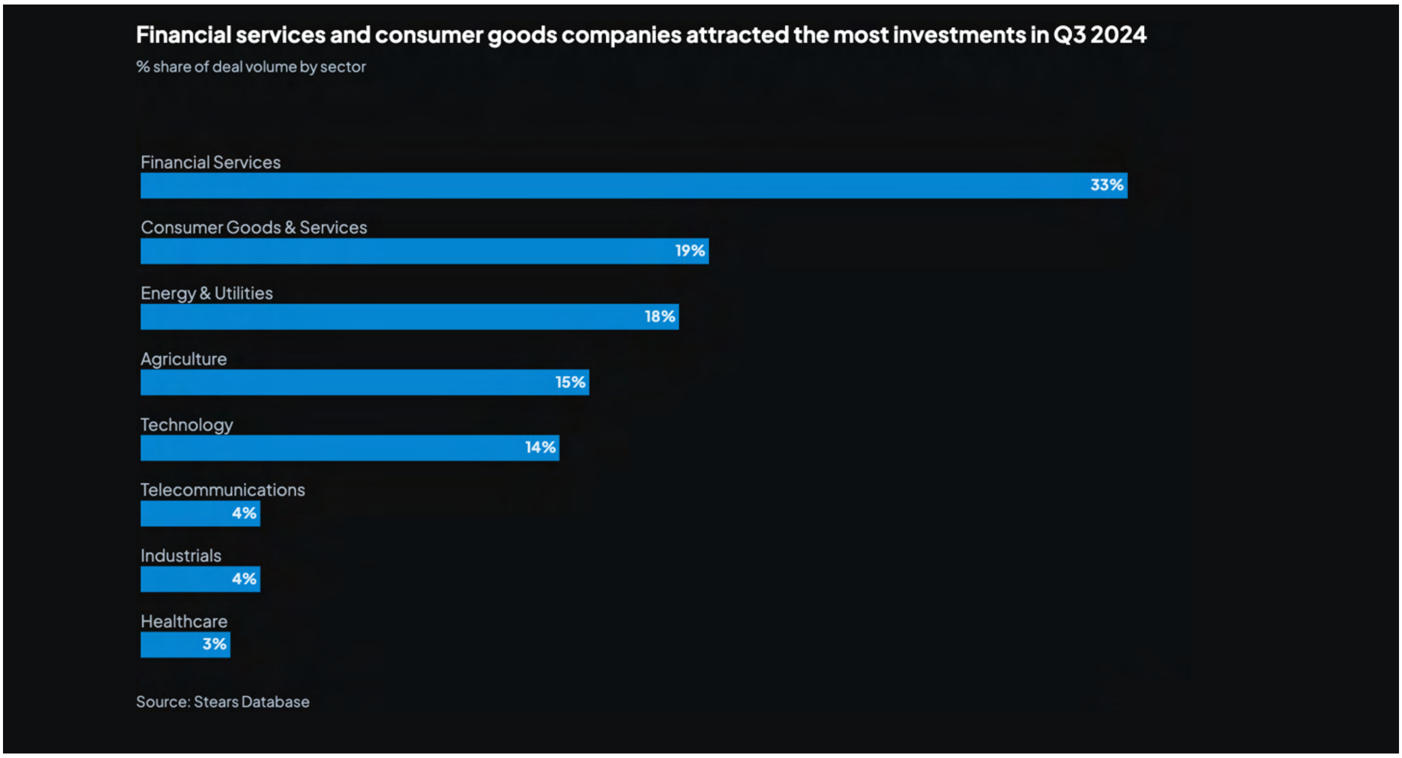
- NALA, a Tanzanian fintech payments company, secured a $40 million equity investment led by Acrew Capital in July 2024.
- MNT-Halan, one of North Africa's largest fintechs, raised $157.5 million in funding from the International Finance Corporation (IFC), Development Partners International (DPI), Apis Partners, and others.
- Fido, a Ghanaian digital lending platform, received $20 million in equity funding from BlueOrchard and FMO and $10 million in debt financing from Stanbic Bank Ghana and BII's Growth Investment Partners (GIP).

In the consumer goods and services sector, e-commerce projects accounted for 27% of deals, reflecting the rapid growth of digital marketplaces.

E-commerce penetration in Africa is expected to reach 40% by 2025 (International Trade Administration). McKinsey forecasts that e-commerce will represent 10% of retail sales in Nigeria, South Africa, and Egypt by 2025.

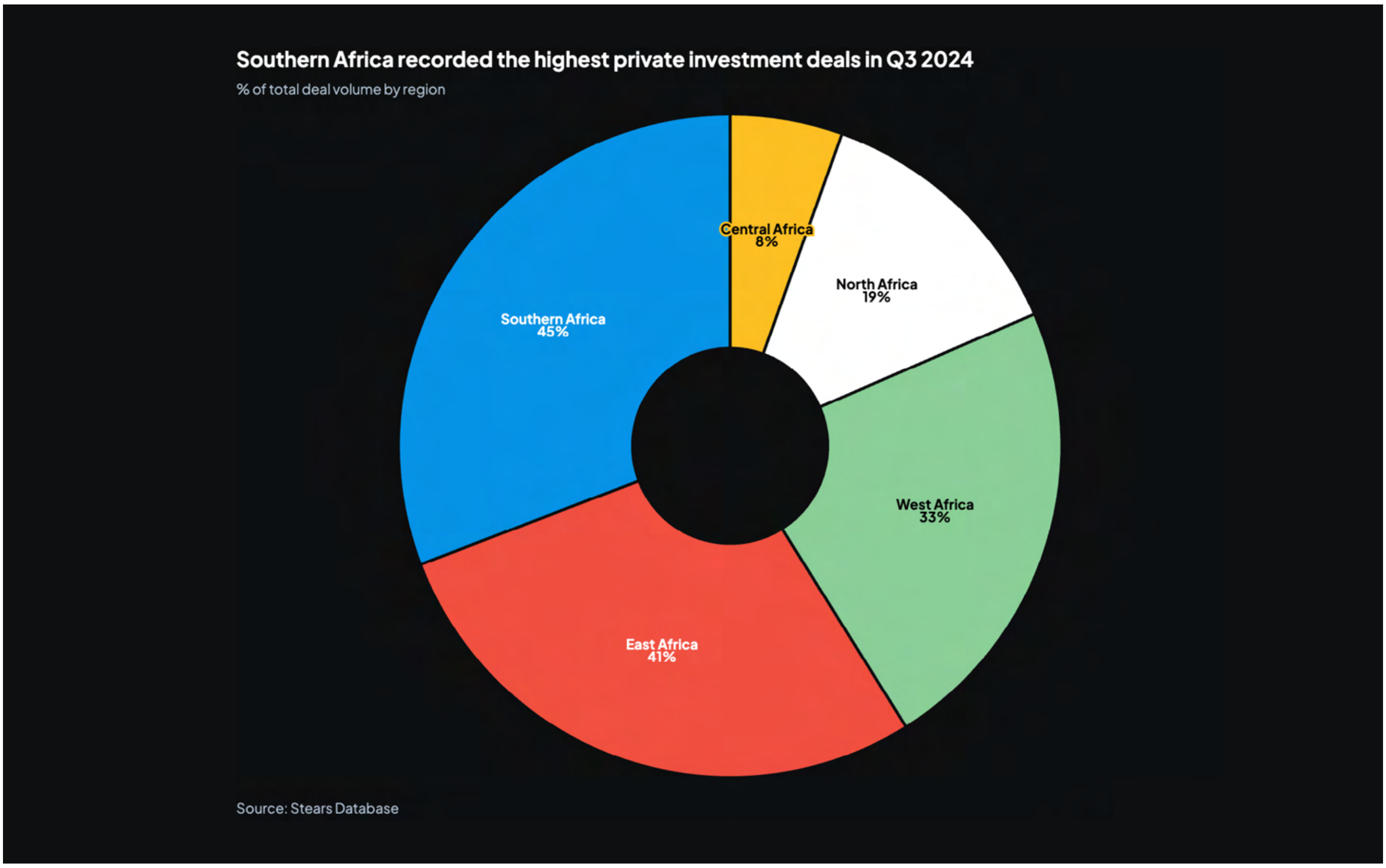
The agriculture sector made up a significant portion (15%) of private capital deals with the momentum in production (accounting for 45% of agriculture deals), reflecting the deployment of private capital to catalyse growth in the farm economy that can deliver high-impact development returns.

The agriculture sector employs more than half of the working population in Sub-Saharan Africa (according to the World Bank data) and is instrumental in ensuring food security in Africa.



Regional Dynamics

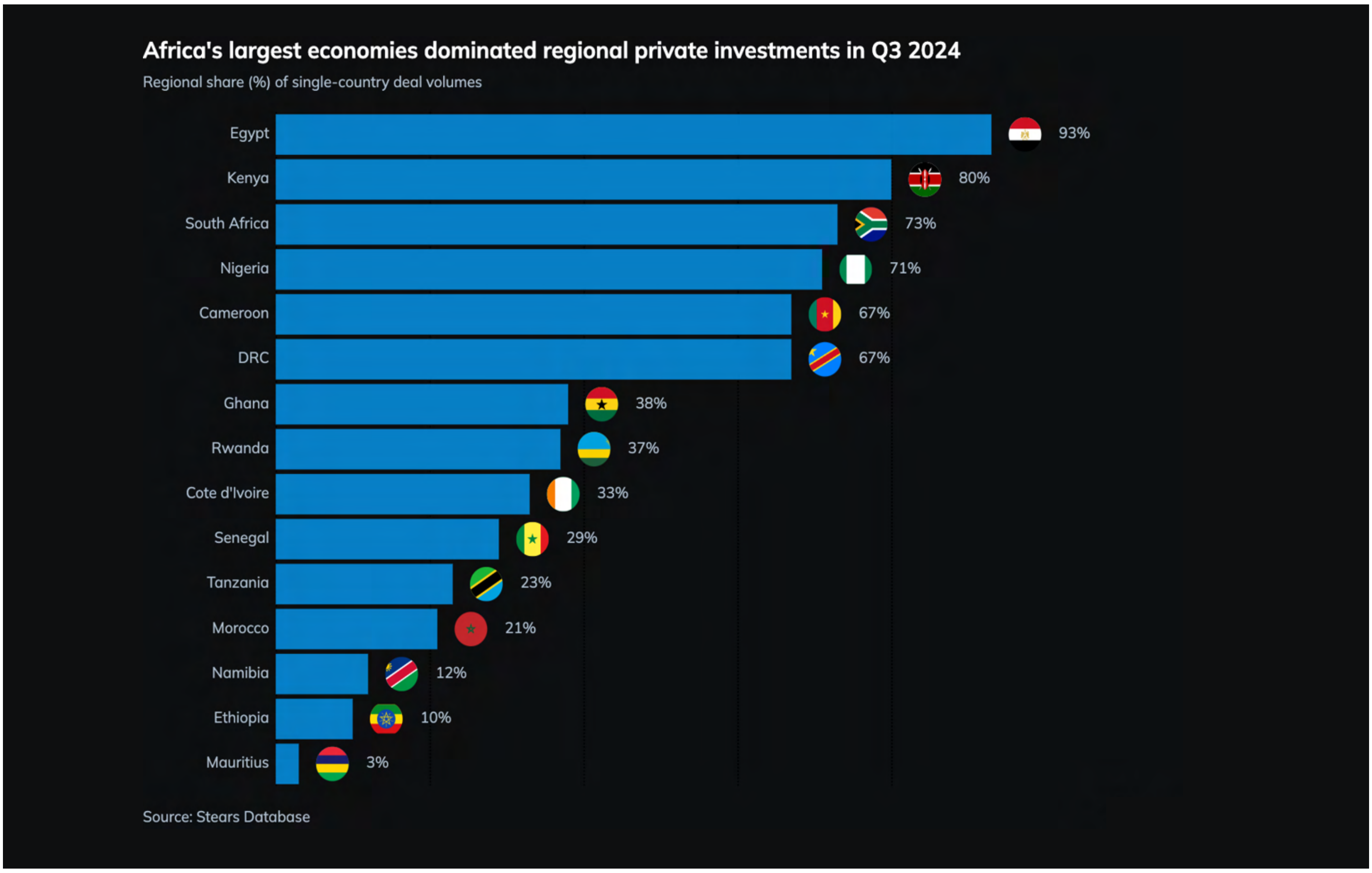
Southern Africa led private market transactions in Q3 2024, accounting for 45% of recorded deals, followed closely by East Africa (41%) and West Africa (33%). Central Africa lagged significantly, contributing just 8% of transactions during the period.

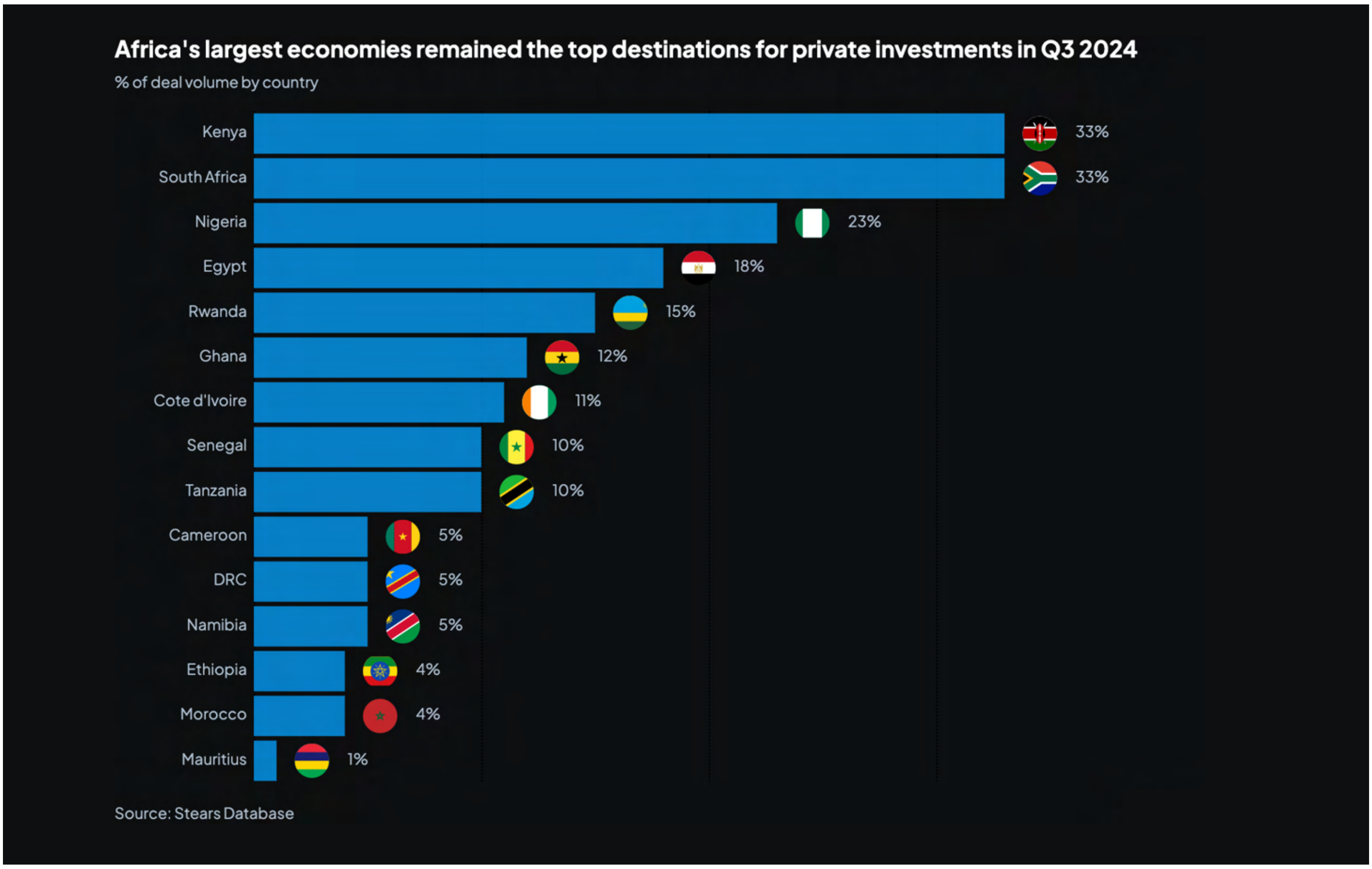


Southern Africa led private market transactions in Q3 2024, accounting for 45% of recorded deals, followed closely by East Africa (41%) and West Africa (33%). Central Africa lagged significantly, contributing just 8% of transactions during the period.

South Africa and Kenya were standout performers, each accounting for a third of all private market deals in Q3. South Africa dominated Southern Africa's activity, featuring in 73% of the region's deals, while Kenya was central to East Africa, contributing to 80% of the region's transactions. Rwanda, with 15% of all African deals (37% of East Africa's), was the second-most active East African country. In contrast, Namibia, with 5% of African deals (12% of Southern Africa's), played a more subdued role in Southern Africa.

West Africa exhibited a more balanced distribution of deals. While Nigeria led the region with 71% of transactions, countries like Ghana (38%), Côte d'Ivoire (33%), and Senegal (29%) accounted for healthy shares, underscoring a broader investment spread. In contrast, North Africa showed significant concentration, with Egypt attracting 93% of the region's transactions, making it the most dominant country by regional share during the period. Morocco followed distantly, contributing just 21% of North African deals.


Africa's largest economies dominated regional private investments in Q3 2024
Regional share (%) of single-country deal volumes
Egypt 93%
Kenya 80%
South Africa 73%
Nigeria 71%
Cameroon 67%
DRC 67%
Ghana 38%
Rwanda 37%
Cote d'Ivoire 33%
Senegal 29%
Tanzania 23%
Morocco 21%
Namibia 12%
Ethiopia 10%
Mauritius 3%
Source: Stears Database

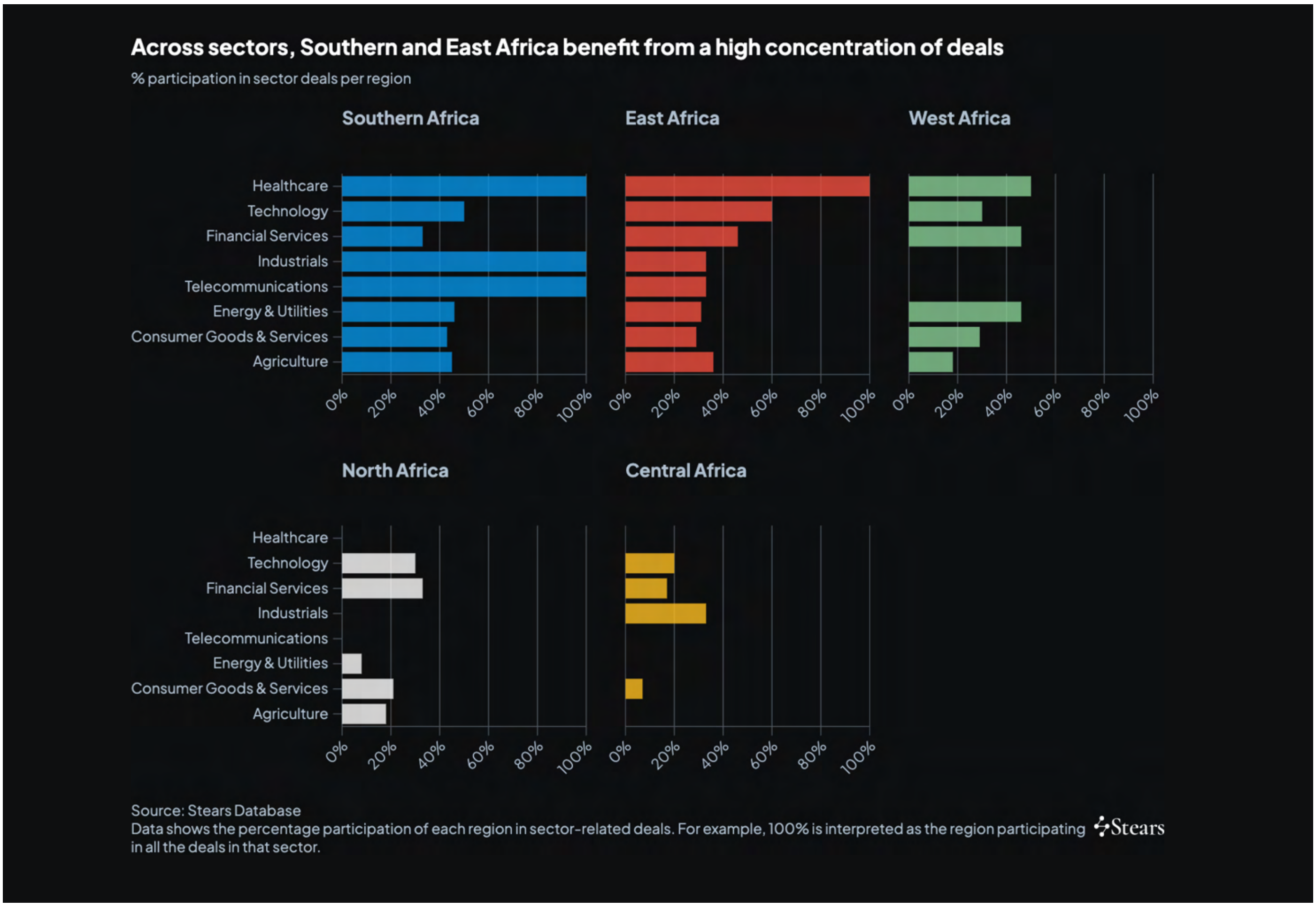

Africa's largest economies remained the top destinations for private investments in Q3 2024
% of deal volume by country
Kenya 33%
South Africa 33%
Nigeria 23%
Egypt 18%
Rwanda 15%
Ghana 12%
Cote d'Ivoire 11%
Senegal 10%
Tanzania 10%
Cameroon 5%
DRC 5%
Namibia 5%
Ethiopia 4%
Morocco 4%
Mauritius 1%
Source: Stears Database

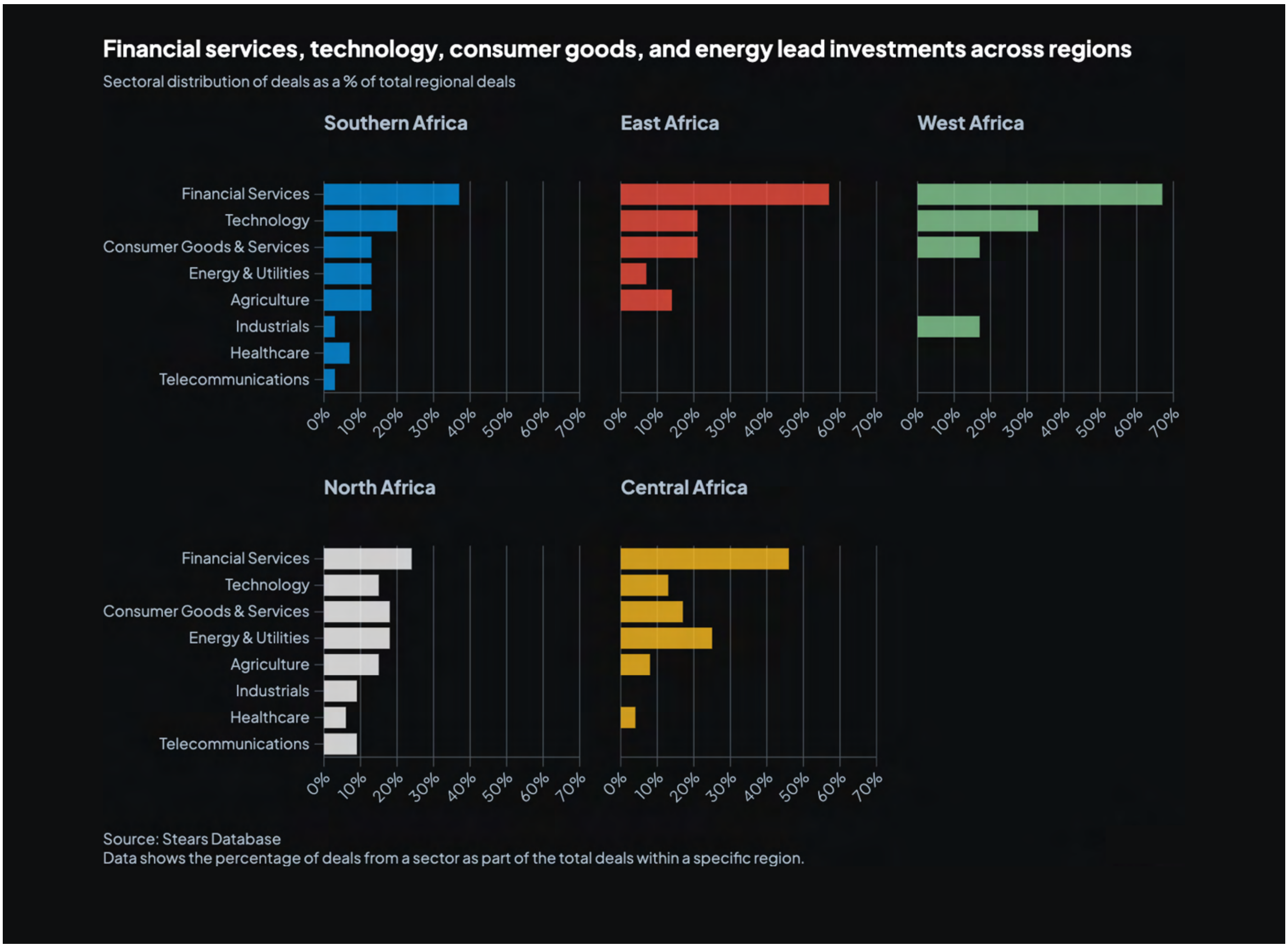
Sectoral trends across regions

Examining sectoral investments across and within regions reveals key trends in Africa's private capital landscape. Financial Services deals were overrepresented in East and West Africa, with each accounting for 46% of all financial services transactions, exceeding their respective shares of overall deals (East Africa: 41%, West Africa: 33%). This aligns with within-region activity, where financial services contributed 37% of East African deals and 46% of West African deals, compared to a 33% overall contribution.

Technology investments also showed regional concentrations, with East Africa leading at 60% of all technology deals, followed by Southern Africa at 45%. While Southern Africa performed well in technology relative to its average deal activity (45%), its financial services representation was below the continental average at 33%. In contrast, West Africa excelled in the energy sector, contributing 46% of all energy deals, significantly above its overall 33% deal share.

Interestingly, North and Central Africa, though representing smaller portions of financial services deals continent-wide, were disproportionately focused on this sector. Financial Services accounted for 57% and 67% of total deals in North and Central Africa, respectively, reflecting investor preference for the continent's most active sector when considering less active regions.



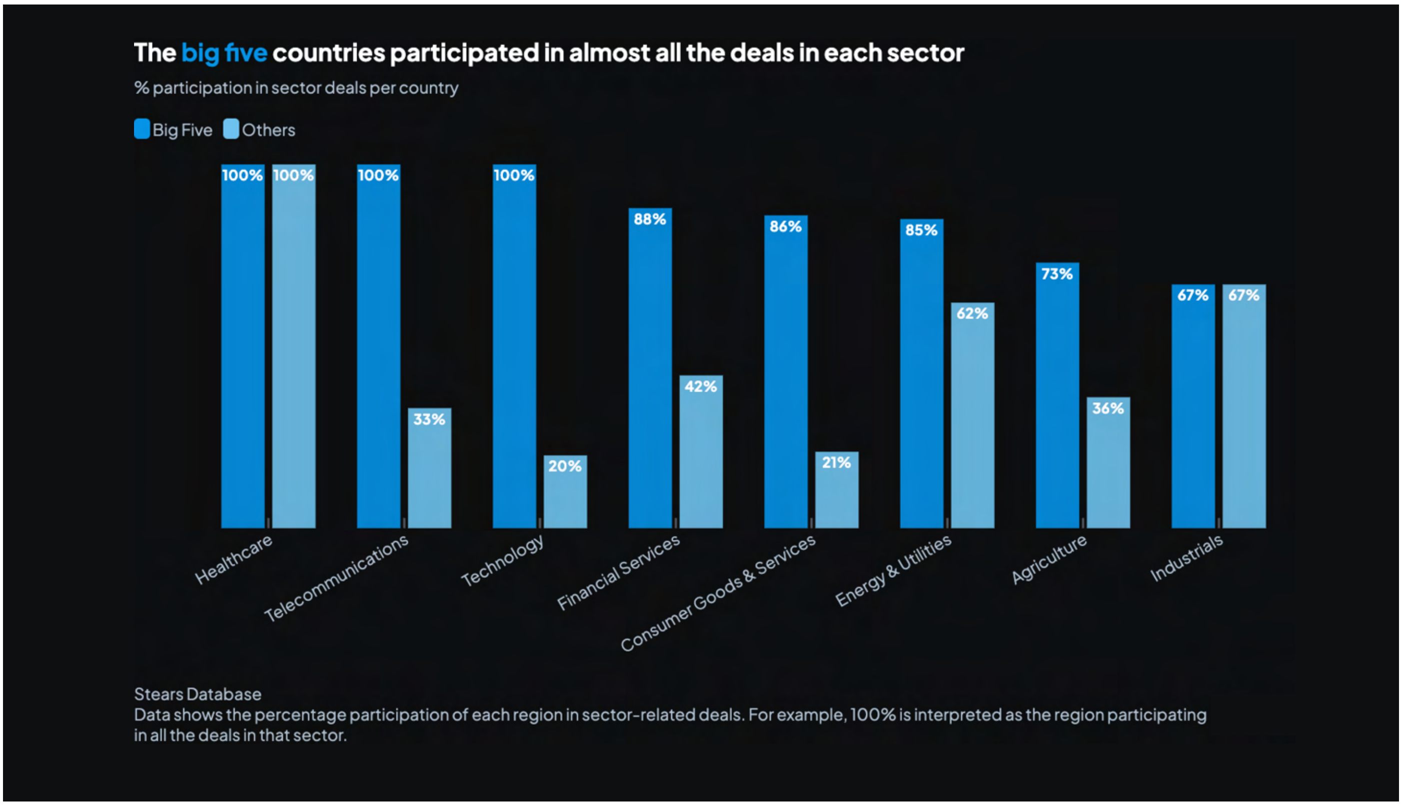


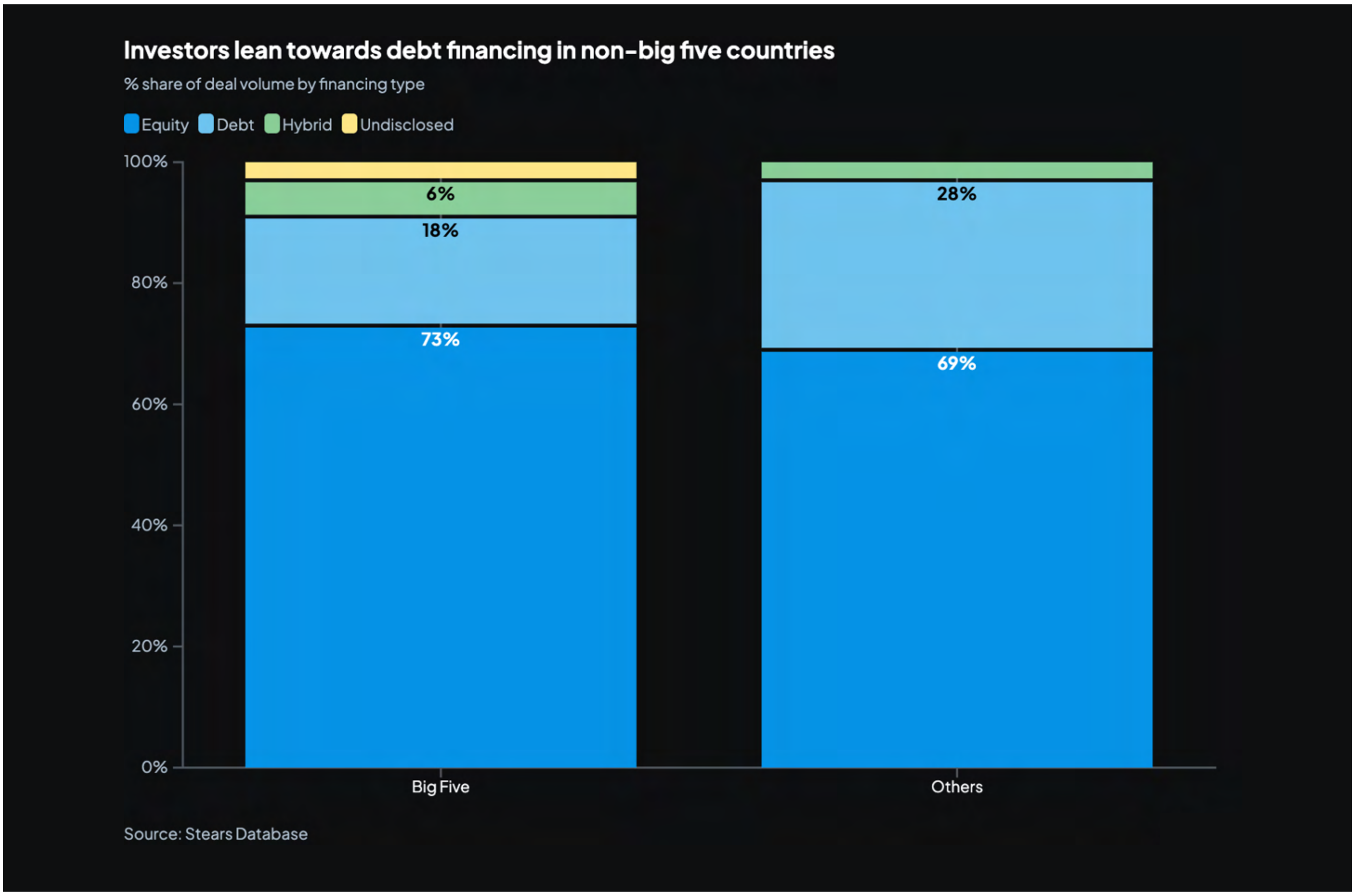
Stears Big 5 Economies

The Stears Big 5 economies—South Africa, Kenya, Nigeria, Ghana, and Egypt—accounted for an overwhelming 85% of all private market deals in Q3 2024.

This means only 15% of transactions occurred outside these major economies, underscoring their outsized appeal to private investors in Africa. Investments in non-Big 5 countries were more likely to be debt-based (28% compared to 18% in the Big 5), reflecting the relatively stable and lower-risk nature of financing in these markets.

Sectoral trends further highlight the Big 5's dominance. All technology investments during the period involved a Big 5 country, showcasing the enabling environments these economies have created for startups and scaleups. The energy sector, however, saw the narrowest gap between Big 5 and non-Big 5 involvement, with 85% of energy transactions linked to Big 5 countries versus 62% in others.

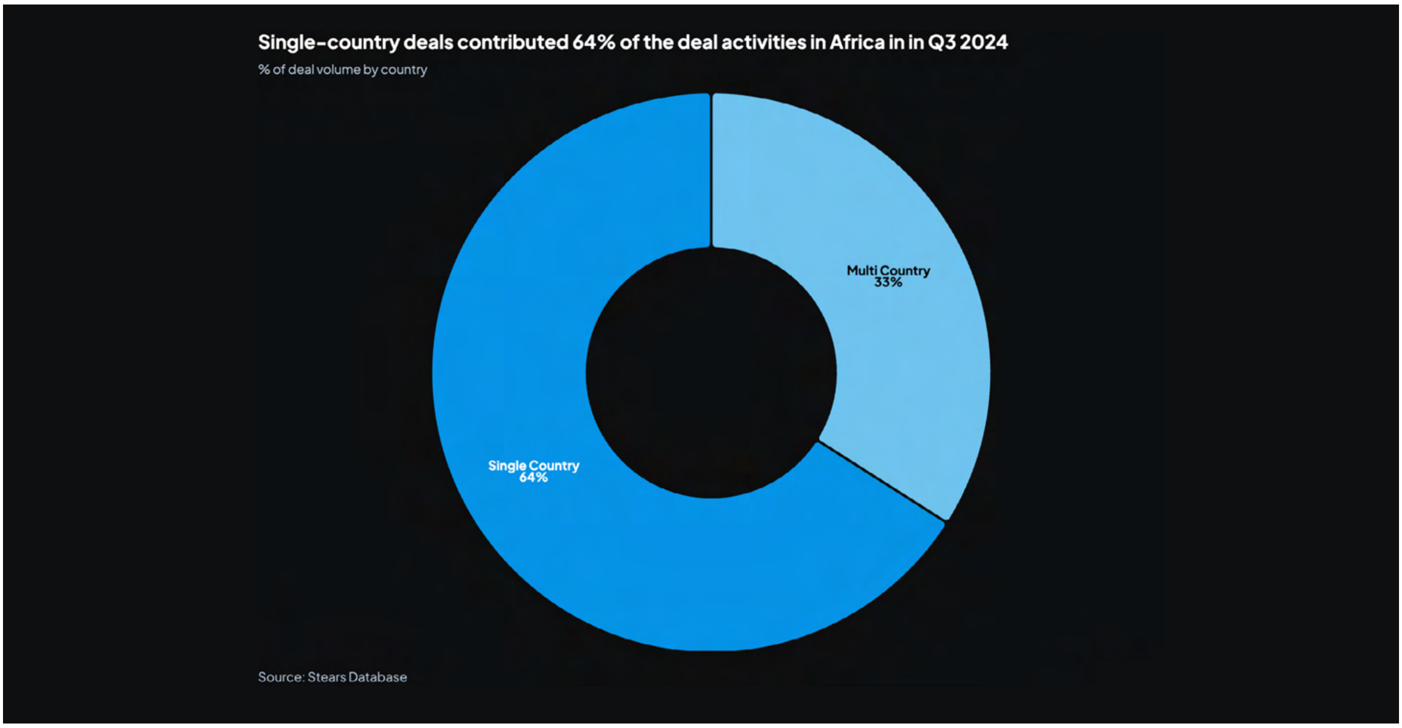

The big five countries participated in almost all the deals in each sector
% participation in sector deals per country
Big Five
Others
100%
100%
100%
33%
100%
20%
88%
42%
86%
21%
85%
62%
73%
36%
67%
67%
Healthcare
Telecommunications
Technology
Financial Services
Consumer Goods & Services
Energy & Utilities
Agriculture
Industrials
Stears Database
Data shows the percentage participation of each region in sector-related deals. For example, 100% is interpreted as the region participating in all the deals in that sector.

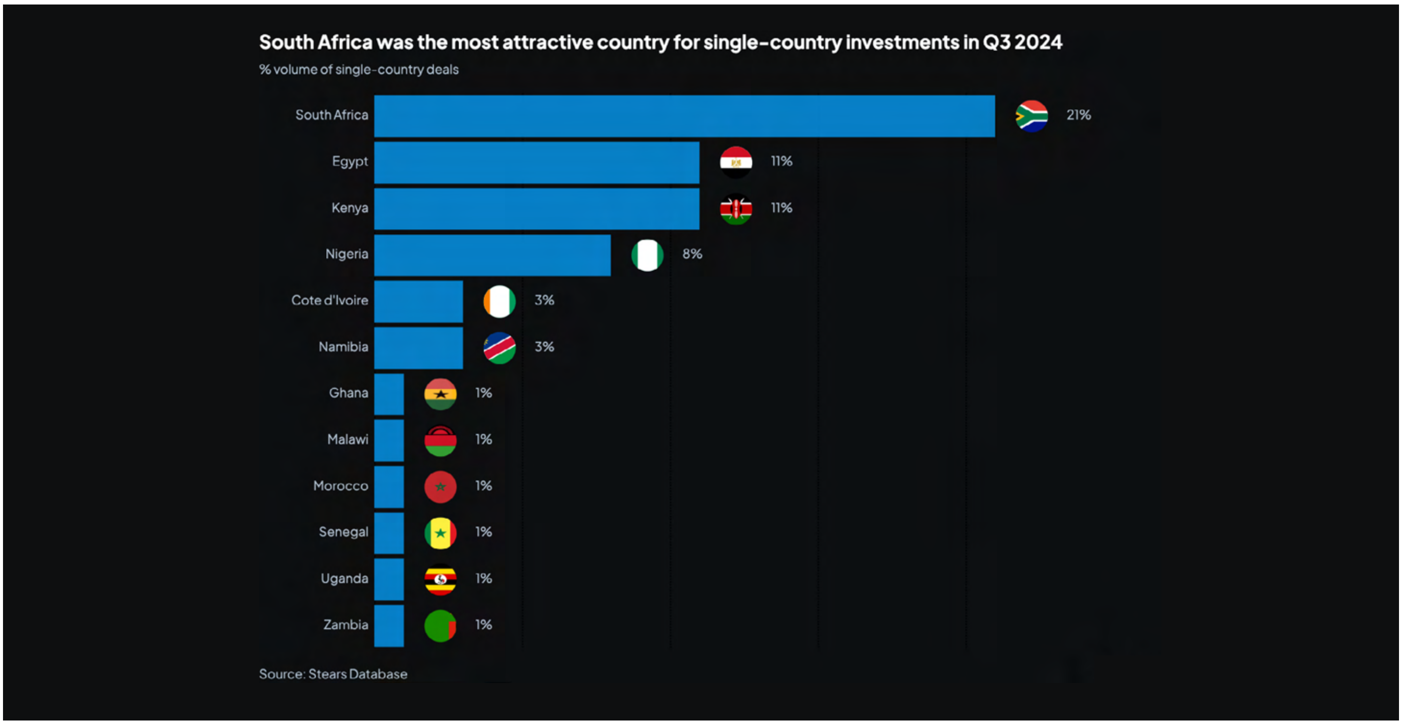

Investors lean towards debt financing in non-big five countries
% share of deal volume by financing type
Equity
Debt
Hybrid
Undisclosed
100%
80%
60%
40%
20%
0%
6%
18%
73%
28%
69%
Big Five
Others
Source: Stears Database

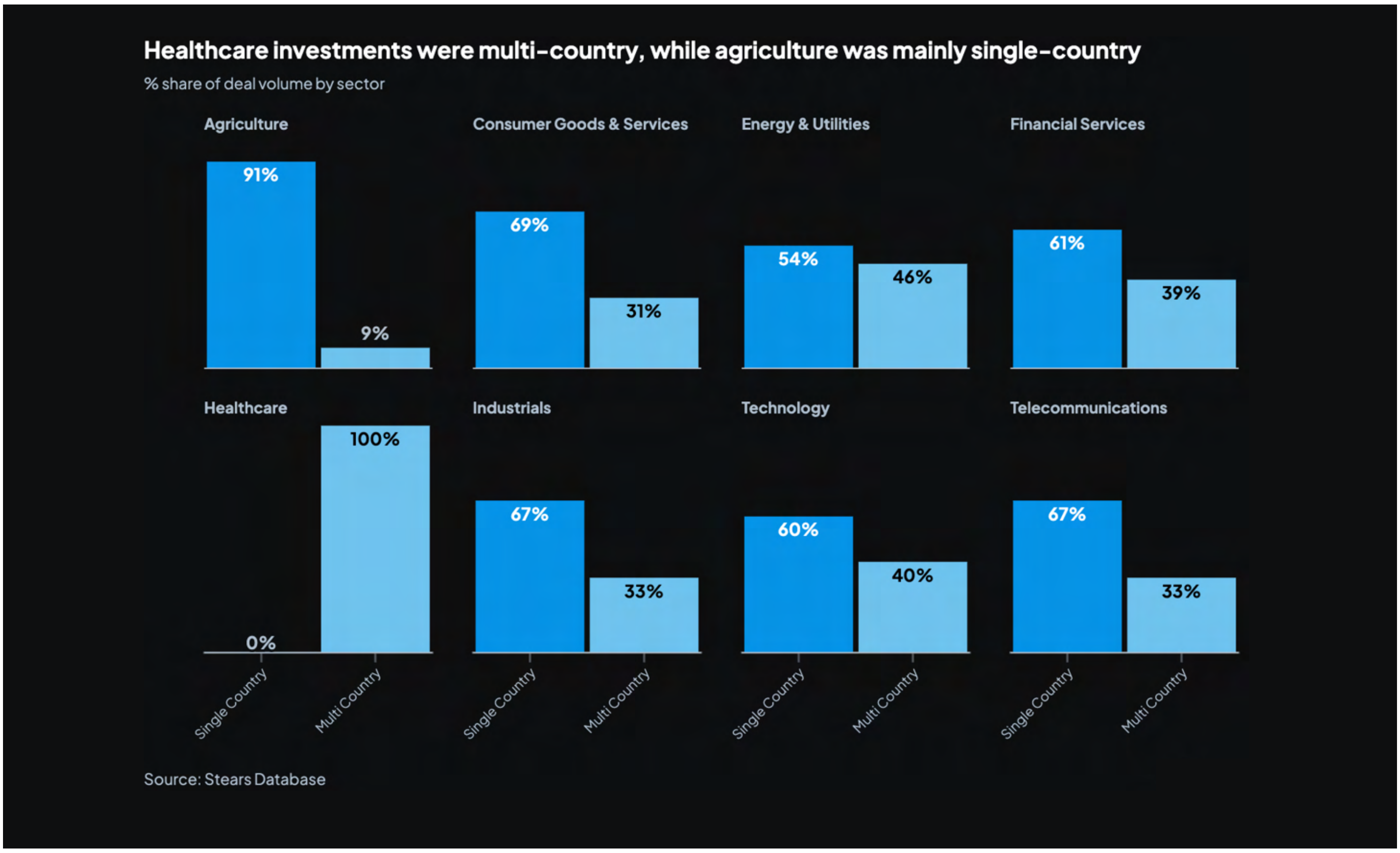
Regional Spread: Single-country vs Multi-country investments

Single-country investments also gained traction, reflecting the increasing ability of individual African countries to attract private capital. 64% of recorded deals in Q3 were single-country transactions, with South Africa accounting for nearly a third, followed by Egypt (17%) and Kenya (17%).

Agriculture was the most localised sector, with 91% of deals involving companies operating in a single country, followed by consumer goods (69%). In contrast, multi-country deals were more common in energy and financial services, where regional operations are often critical to success.






Healthcare investments were multi-country, while agriculture was mainly single-country
% share of deal volume by sector
Agriculture
91%
9%
Consumer Goods & Services
69%
31%
Energy & Utilities
54%
46%
Financial Services
61%
39%
Healthcare
0%
100%
Industrials
67%
33%
Technology
60%
40%
Telecommunications
67%
33%
Single Country
Multi Country
Source: Stears Database

DISCLAIMER & DISCLOSURES – STEARS INFORMATION LIMITED

This report subject to certain limitations, disclaimers, disclosures and notices, which you are to read carefully as you access this report.

The information in this report is believed to be factual and is derived from selected public sources such as issuers, underwriters and other credible sources. Stears Information Limited and its affiliates ("Authors"), in providing the service/information, believe that the information in this report is from reliable sources. In providing this report, the Authors conducted a reasonable investigation of the factual information relied upon in this report and verified the information detailed in this report from independent sources. The Authors, however, do not guarantee the accuracy or completeness of the information in this report, which is subject to change without notice, and nothing in this report shall be construed as such a guarantee.

Neither the Authors nor any of their officers or employees including the writer(s) warrant or represent the accuracy or completeness of the information set out in this report. Investments discussed in this report may not be suitable for all investors and certain investors may not be eligible to participate in some or all of them. The Authors rely on the work of experts to influence its ratings and forecasts of financial and other information which are predictive and contain assumptions about future events which inherently cannot be presently verified as facts. Therefore, regardless of the extent of verification of current facts, forecasts and ratings may be affected by future events, conditions, happenings or contingencies that could not have been anticipated at the time a forecast was given. The Authors thereby, through other business units, may have offered and may in the future offer ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented in this report. Such ideas or recommendations reflect the different time frames, assumptions, views and analytical methods of the persons who prepared them, and the Authors are under no obligation to ensure that such other ideas or recommendations are brought to the attention of any recipient of this report.

The Authors disclaim any liability arising from the use of this document, its contents and/or this service. Nothing herein shall constitute or be construed as an offering of financial instruments or as investment advice or recommendations by the Authors of an investment or other strategy (e.g., whether or not to "buy", "sell", or "hold" an investment). The information available through this service is not based on consideration of the individual circumstances of a user/recipient of the report and should not be considered as information sufficient upon which to base an investment, financial, personal or organizational decision. The Authors do not represent or warrant that the report or any of its contents will meet any of the requirements of a user/recipient of the report, whatever their needs may be. Users of this report should determine on their own whether they agree with the content. Users of this report should independently determine the suitability and evaluate the risks associated with relying on the information in this report. All investors are solely responsible for their investment decisions.

This report and the opinion contained therein are drawn from continuously updated criteria and methodologies. The report and ratings are the group work product of the Authors and no individual or group of same shall be solely or particularly credited or responsible for the report. Please note that any individuals identified in the report were involved in but are not to be regarded as solely responsible for the opinions contained in this report and are therefore identified for contact purposes only. The Authors are not engaged in the offer or sale of any security, either through their agents or by themselves.

The name of the Authors shall not be used as an expert in any registration statement or official documentation further to the publication or dissemination of any rating contained in this report.

This service/report should not be construed as legal, tax or accounting advice or as a service designed to facilitate any compliance with tax, accounting or other legal obligations of any person.

The absence of any trademark or service mark from this list does not waive the intellectual property rights of the Authors in that name, mark or logo.

COPYRIGHT NOTICE – STEARS INFORMATION LIMITED

Start your trial today to acess our data on companies, deals, industries and countries.

Request a Trial

Stears