

Company Logo

Investing in Sub-Saharan Africa

MMM YYYY

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SSA economic and political outlook: 2015 and forward

Growth in core markets will pick up from 2015-2020

- **2015 GDP** came in below expectations as declining commodity prices and a strong United States dollar affected export revenues, along with drought and power crises affecting several countries
- **On the back of continued economic diversification**, GDP growth is expected to recover in the next five years

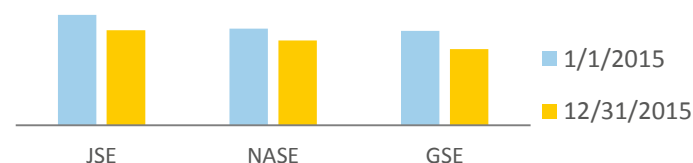
GDP CAGR, Core Markets in sub-Saharan Africa (US\$, current prices y-o-y Fx rates)¹



Strong dollar and commodity cycle have driven down valuations to an attractive level for investment

- **As with other growth market currencies, currencies in SSA depreciated significantly in 2015**, particularly those with substantial commodity exposure
- US\$ appreciation and short-term volatility create further **opportunities to invest in companies poised for future growth at attractive valuations**

Median P/E Multiples²



Favorable M&A market for mid-market private equity

- **Overall, the M&A market conditions in sub-Saharan Africa remained favorable** and the number of M&A transactions reached a total of XX transactions through Q4 2015 for a total deal value of US\$ XX³
- Mining and energy continue to dominate the large-cap. M&A space, though consumer deals are emerging

Largest M&A Transactions in SSA, 2015⁴

Logo	Logo	Logo	Logo	Logo
Energy	Consumer	Consumer	Consumer	Financials
US\$ XX mm	US\$ XX mm	US\$ XX mm	US\$ XX mm	US\$ XX mm
XX acquired a XX stake in entities	XX acquired a XX stake	XX acquired XX of XX	XX. acquired XX stake	XX acquired XX stake

2015-2017 Political Outlook



Mohammed Buhari elected president in April 2015; strong anti-corruption drive and push for economic diversification



All provinces' municipal elections from May-August 2016; expected to serve as a referendum on Zuma's increasingly-unpopular ANC



2016 presidential elections to be held in Nov.; expected to be a landmark in ensuring continued free and fair elections



General elections scheduled for 2017; the Kenyan diaspora will be able to vote for the first time

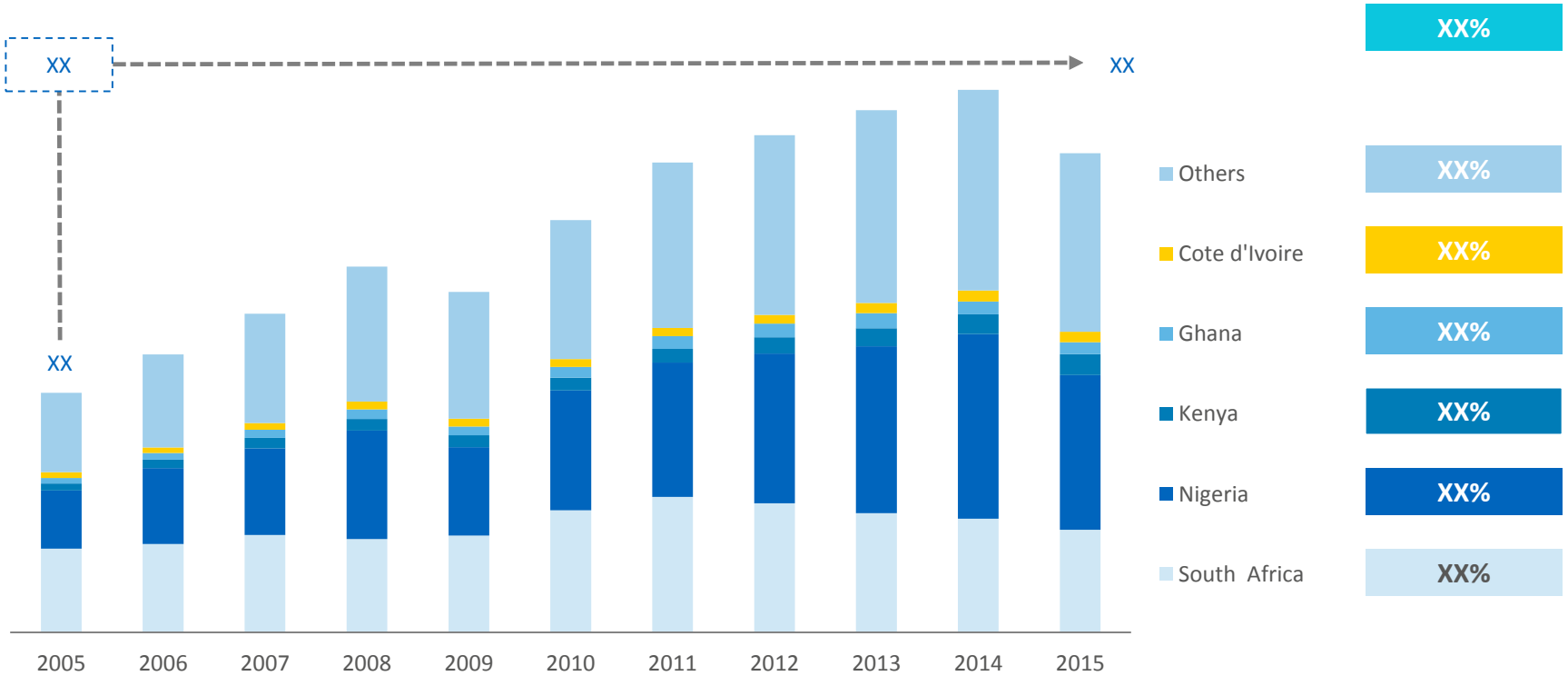
¹Euromonitor. "Core Markets" are Cote d'Ivoire, Ghana, Nigeria, Kenya, and South Africa. ²CapitalIQ. P/LTM Diluted EPS before Extra. JSE= Johannesburg Stock Exchange,; NASE= Nairobi Stock Exchange; GSE= Ghana Stock Exchange. ³Thomson Reuters, Mergers & Acquisitions Review, December 31, 2015. Completed M&A from Jan. 1-December 31, 2015. Completed transactions only; includes reverse mergers and offshore M&A. ⁴CapitalIQ. Excludes acquisitions of entities headquartered outside of SSA, e.g. SABMiller (acquired by Anheuser-Busch). Excludes non-PE energy, real estate, mining, and gaming transactions; and reverse mergers.

Solid economic growth in the last decade

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Nominal GDP (US\$ bn)

Nominal GDP CAGR
2005-2015

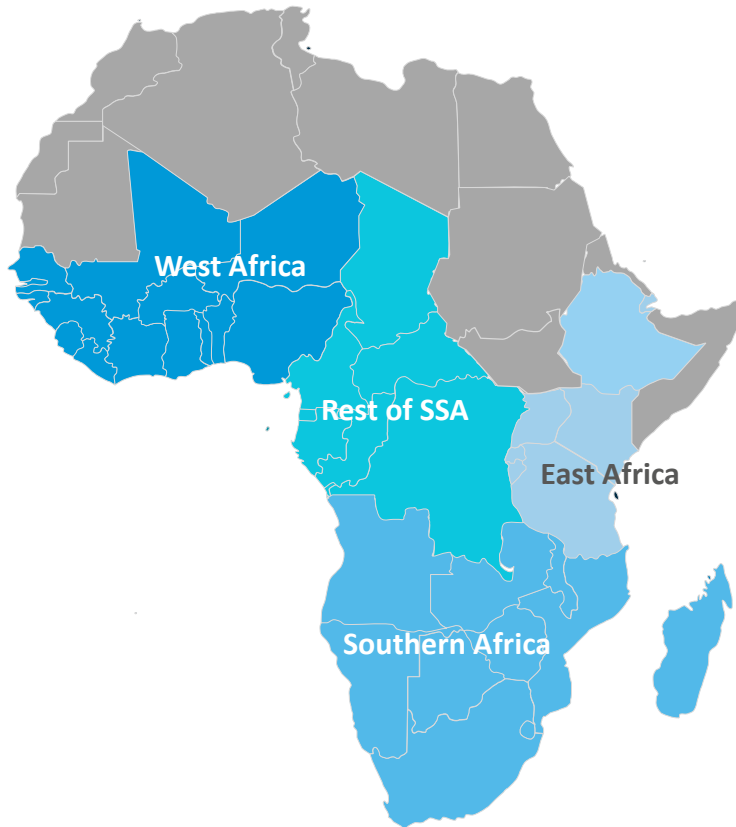


¹Economist Intelligence Unit, 2016.

"Others" refers to the 42 other SSA countries for which data is available via EIU.

Concentrated opportunity in SSA

XXXX



	Population '15 (mm)	Nominal GDP '15 (US\$ bn)	Nominal GDP per Capita '15 (US\$)
West Africa	XXX	XXX	XXX
Core Geography (Nigeria + Ghana)	XXX	XXX	XXX
Core Markets: % of region	XXX	XXX	XXX
	XXX	XXX	XXX
East Africa	XXX	XXX	XXX
Core Geography (Kenya)	XXX	XXX	XXX
Core Markets: % of region	XXX	XXX	XXX
	XXX	XXX	XXX
Southern Africa	XXX	XXX	XXX
Core Geography (South Africa)	XXX	XXX	XXX
Core Markets: % of region	XXX	XXX	XXX
	XXX	XXX	XXX
SSA Aggregate	XXX	XXX	XXX
Core Geographies	XXX	XXX	XXX
Core Markets: % of region	XXX	XXX	XXX

Source: EIU, UNPD. Data not available for Somalia.

Economic activity is driven by various factors



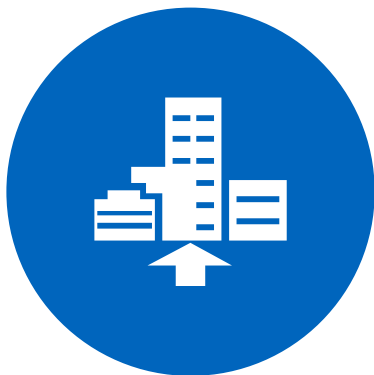
Political Governance



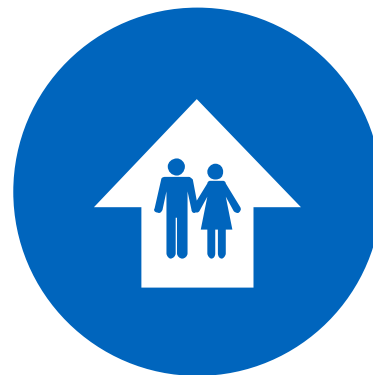
Economic Diversification



Attractive
Demographics



Urbanization



Growing Middle Class

Elected, regionally-cooperative governments are now the norm

XXXX

From

XX

Peaceful transitions of ruling parties or presidents at the ballot box

1960 - 1990

To

XX

1991 - 2011

And

XX

Of XX SSA countries have held democratic elections¹

Since 2005

Union Economique et Monétaire Ouest-Africaine (UEMOA), est. 1994

GDP per Capita ²	:	XX
Population ²	:	XX
Main Languages	:	XX
Largest Economy	:	XX

Economic Community of West African States (ECOWAS), est. 1975

GDP per Capita ²	:	XX
Population ²	:	XX
Main Languages	:	XX
Largest Economy	:	XX

East African Community (EAC), est. 1967³

GDP per Capita ²	:	XX
Population ²	:	XX
Main Languages	:	XX
Largest Economy	:	XX

Southern African Development Community (SADC), est. 1992

GDP per Capita ²	:	XX
Population ²	:	XX
Main Languages	:	XX
Largest Economy	:	XX

¹The Economist. Includes presidential or parliamentary elections only for continental nations. Includes Swaziland parliamentary election of 2013 although Swaziland remains a Kingdom. Excludes: South Sudan (scheduled for elections in 2018) and Eritrea. Western Sahara counted as part of North Africa. ²Euromonitor, 2015 GDP/capita in current prices with year-on-year exchange rates. Population data via United Nations Population database. ³Collapsed in 1977 and revived in 2000.

SSA has the youngest population in the world

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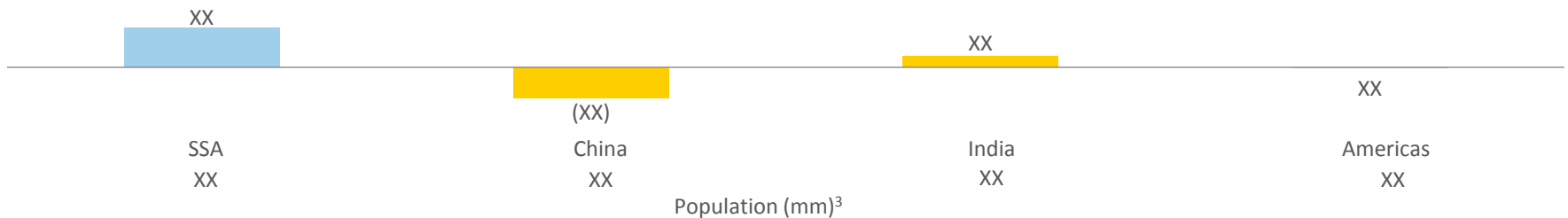
Sub-Saharan Africa

Developed Markets¹

China



Net Additions of Productive Youth to Population² (2015 - 2025, mm)

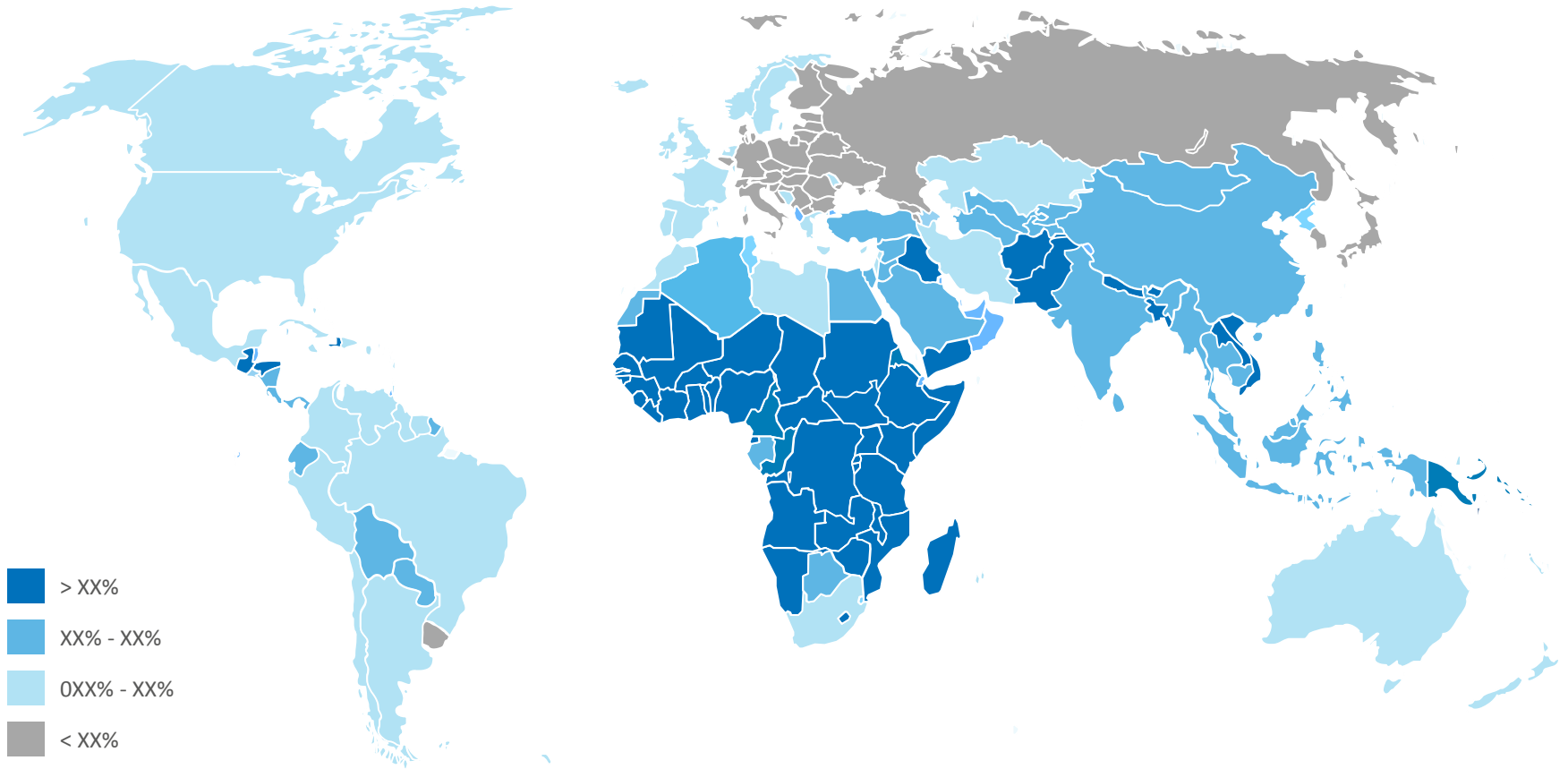


¹United Nations Population Data, 2014. Developed markets comprise Europe, Northern America, Australia/New Zealand and Japan. ²United Nations Population Data. "Productive Youth" defined as 15-34 years old. ³United Nations Population Data. 2015 Population figures for a like-to-like comparison.

SSA is the most rapidly-urbanizing region on earth...

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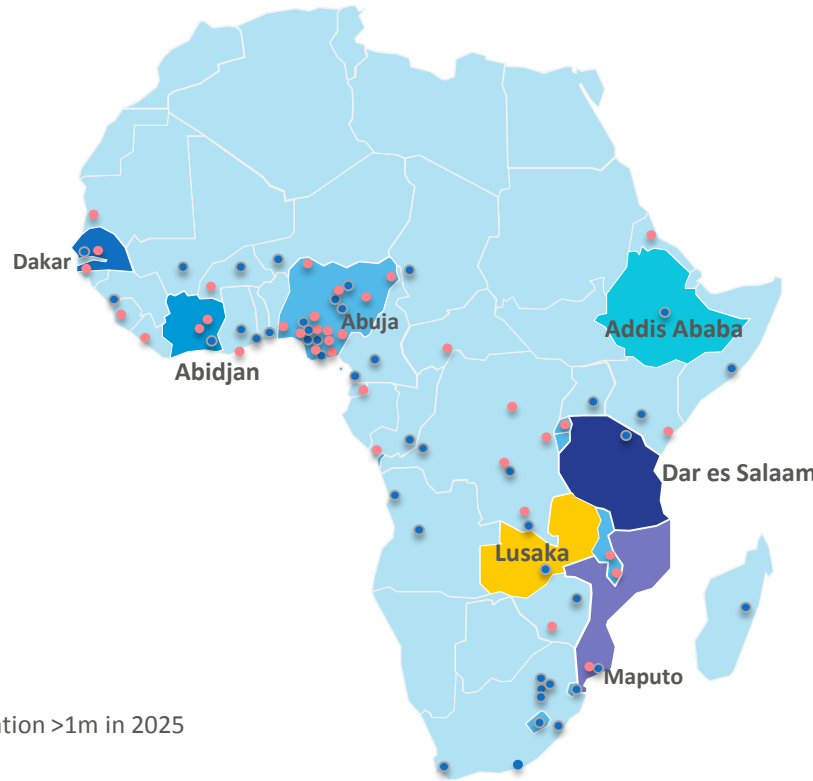
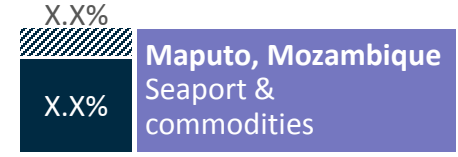
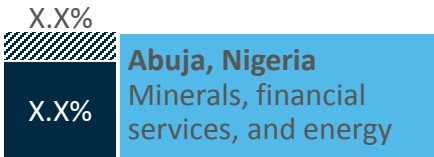
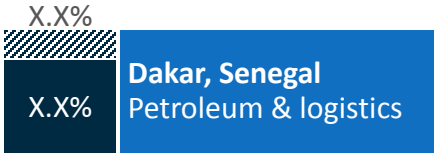
Urban Population Growth (2010-2030)



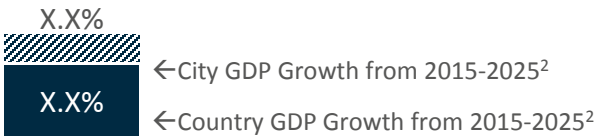
¹Tieng Viet, "Urbanization and Growth: Setting the Context," published by the World Bank, 2011. ²McKinsey Urban World, 2014.
Note: Definition of urbanization varies by country. Map shows 2010-2030 compound annual growth rates for respective countries.

.. and economic activity is concentrated in key urban centers

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- Cities with population >1m in 2010
- New cities expected to have population >1m in 2025



¹Data from McKinsey and Company, "Urban World." Population and straplne data dated 2012; GDP data (city and country) via the Urban World App, 2016.

Different middle class dynamics creating distinct opportunities (1 / 2)

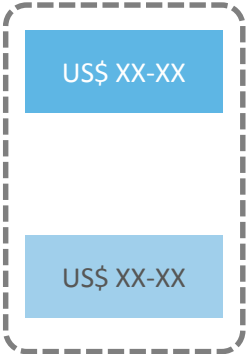
In Kenya, each segment above the lowest-income band will see substantially more share...

Households by income group in Kenya

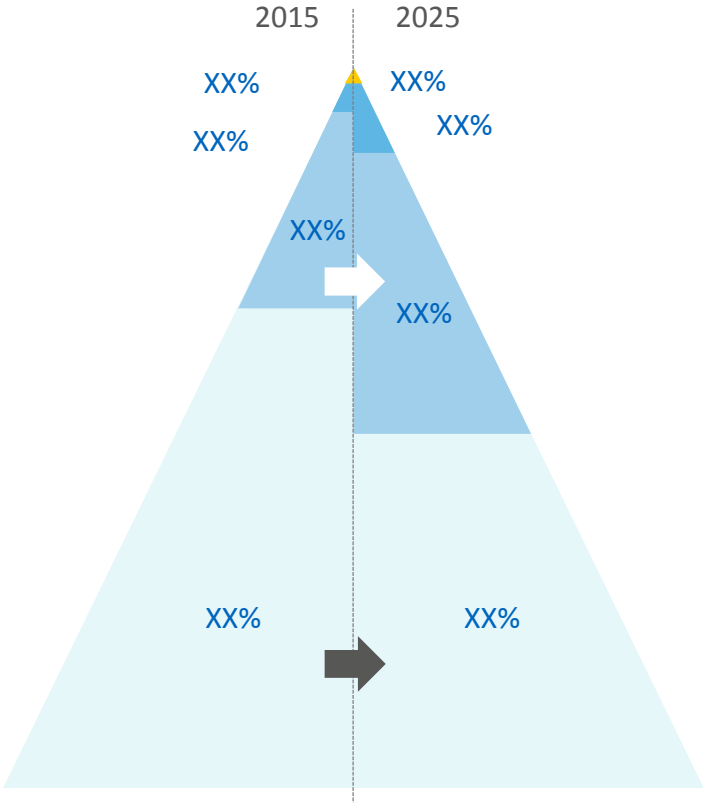
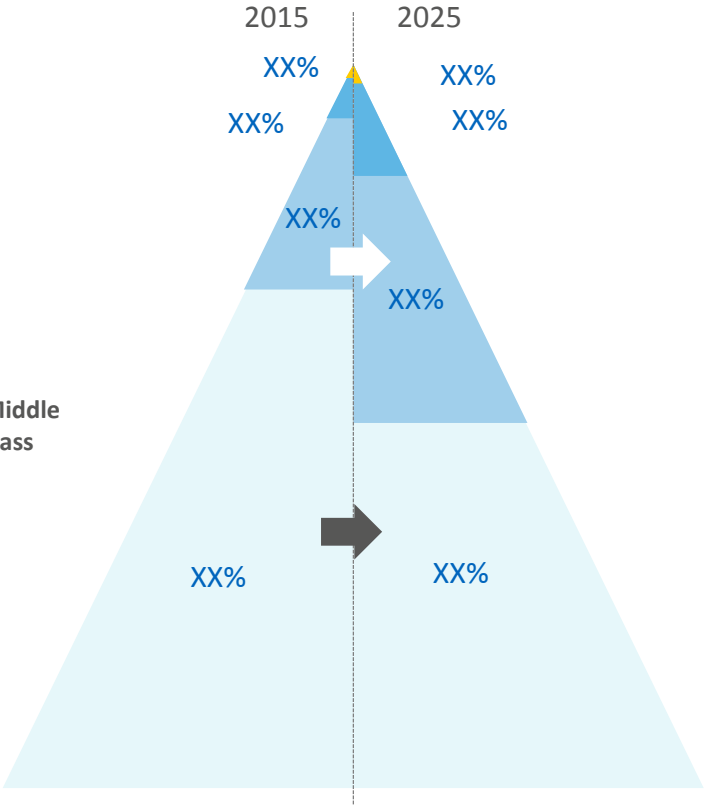
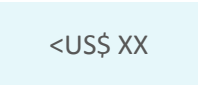
...and in Ghana the dynamics will be remarkably similar

Households by income group in Ghana

Income per anum



Middle class



¹ McKinsey Urban World, 2016.

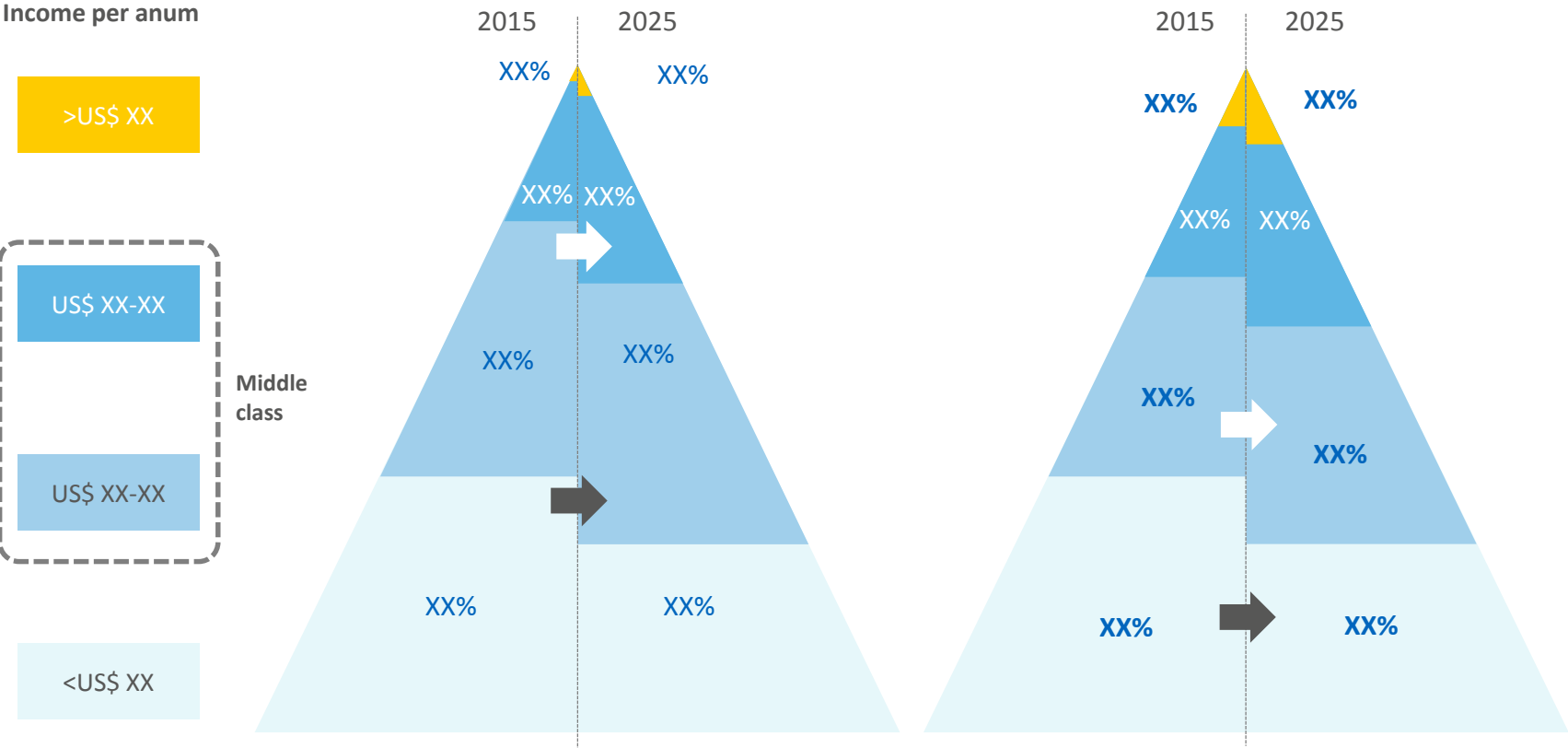
Different middle class dynamics creating distinct opportunities (2 / 2)

In Nigeria, the upward mobility will be substantial...

...and in South Africa, nearly XX% of the population will have over US\$ XX in income

Households by income group in Nigeria

Households by income group in South Africa

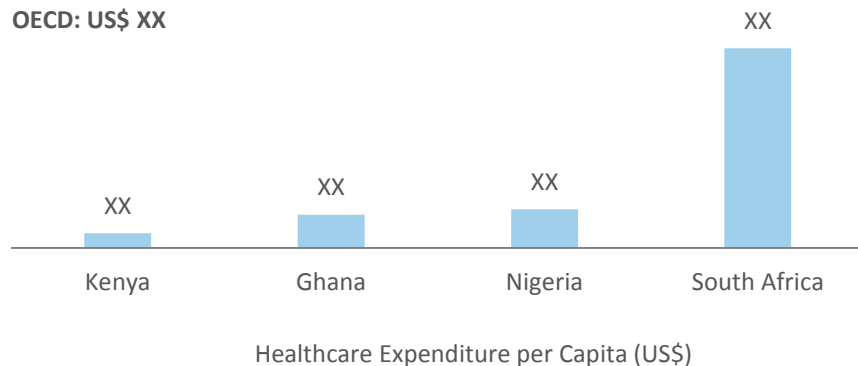


¹ McKinsey Urban World, 2016.

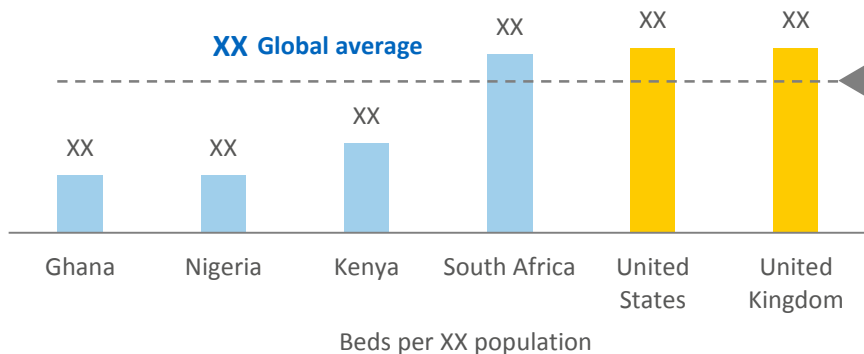
The healthcare opportunity is driven by a supply/demand gap

Health expenditure per capita in sub-Saharan Africa is below developed market levels¹

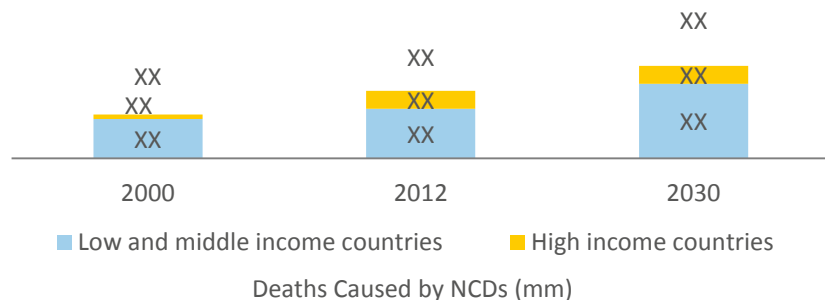
USA: US\$ XX
OECD: US\$ XX



Largely due to inadequate supply of healthcare facilities¹



Deaths caused by non-communicable diseases are projected to increase, driven by urbanization, presenting an opportunity for middle-income focused businesses¹



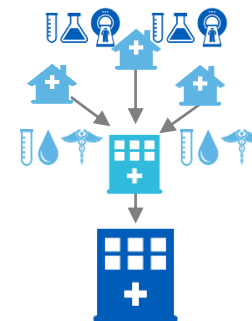
Extensive experience investing in healthcare in Sub-Saharan Africa

XX investments across **XX** countries

XX invested

XX beds growing to **XX**

Hub & spoke models employed to drive quality, access and affordability



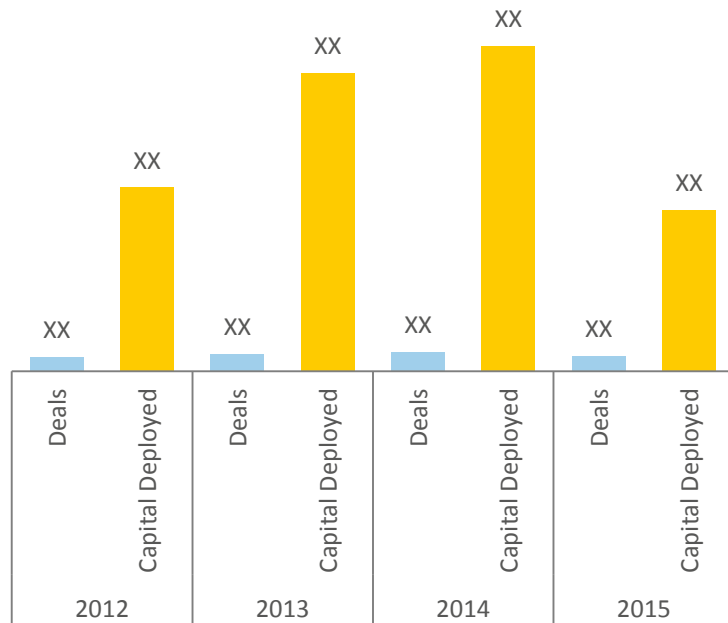
¹ WHO.

There is substantial opportunity in the mid-market in 2016

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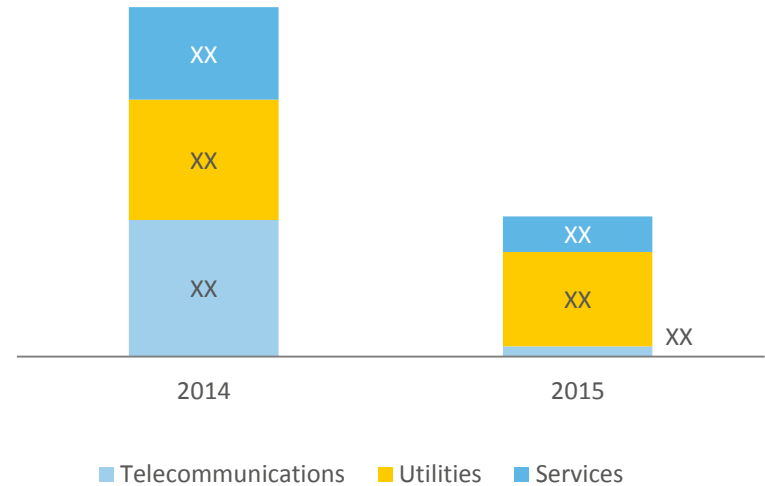
Private Equity Investments and Capital Deployed

(US\$ mm)¹



Private Equity Investments and Capital Deployed

(US\$ mm)¹



- The decline in deal value in 2015 from 2014 was primarily driven by a drop in Central African (from XX to XX mm) and West African (from XX to XX mm) investment as commodity prices plunged, causing currency shocks

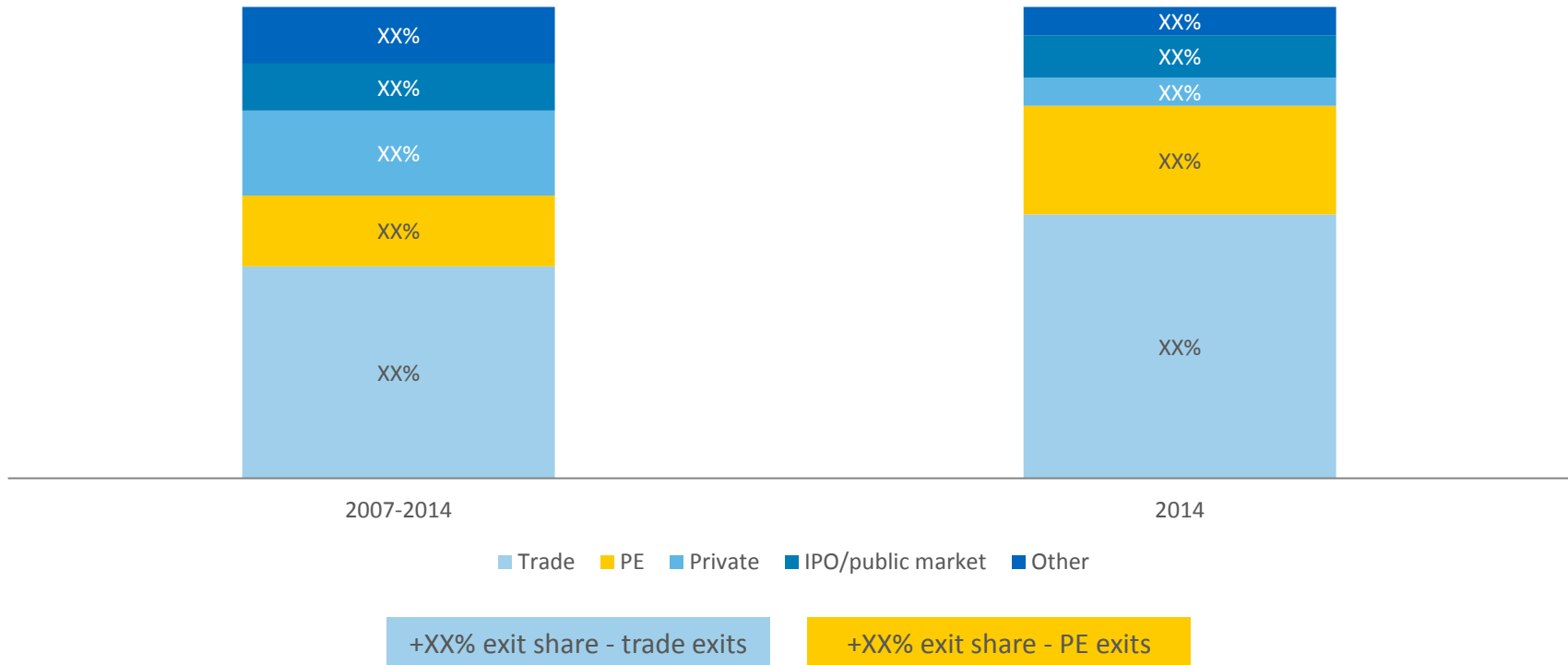
XX mm less invested in telecommunications, utilities, and services in 2015

¹ EMPEA, Year-End Industry Statistics 2015.

Increasing PE activity as a mature secondary market develops

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Africa Trade Exits by Type¹



¹ EY, "PE Exits in Africa 2014," 2015. Includes private equity, private credit, private infrastructure, and real assets. Pan-Africa statistics.