Private Equity Growth Drivers

Ethiopia is an attractive market for private equity (PE) given the size of its population (91 million the second largest on the continent) and relatively high economic growth rate (estimated to be 8.7% in 2015). It is also part of the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC), which, among other things, aim to facilitate trade among neighbouring African countries.

Private Equity Deals

PE investors are particularly attracted to consumer-related sectors in Ethiopia, keen to capitalise on increasing urbanisation and the emerging middle class. Companies which have attracted PE investment include Africa Juice (Agri-Vie, 2010), Alemaayehu Makonnen Farm (Pearl Capital Partners, 2012), Awash Wine Share Company (8 Miles, 2013), Dashen Breweries (Abraaj Group & Duet Group, 2012), Medpharm Holdings (Ascent Capital, 2015), and Yes Brand Food & Beverages (Catalyst Principal Partners, 2013).

Sectors attracting private equity investment

Selection of PE funds fundraising for Ethiopia

There is less competition for PE deals in Ethiopia, compared with other countries such as Kenya; an advantage for General Partners (GPs) that focus on the country. However, sourcing deals in a country where the majority of companies in the private sector are owned by families, requires trust to be built over a long period of time.
Country Snapshot: Ethiopia

Private Equity Deal Size
80% of PE deals in Ethiopia are below US$50mn

Sectors Attracting Private Equity Investment In Ethiopia, 2010-2015

**Food & Beverage**
- Africa Juice
- Agri-Vie
- Awash Wine Share Company
  - 8 Miles
- Dashen Breweries
  - The Abraaj Group & Duet Group
- NAS Foods
  - Silk Invest
- Yes Brand Food & Beverages
  - Catalyst Principal Partners

**Agriculture**
- Afriflora
  - KKR
- Alemayehu Makonnen Farm
  - Pearl Capital Partners
- Norish
  - Databank Agrifund Manager

**Health Care**
- Medpharm Holdings
  - Ascent Capital

**Industrials**
- Ethiopian Airlines
  - Harith

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About AVCA

**AVCA: Enabling private investment in Africa**

The African Private Equity and Venture Capital Association is the pan-African industry body which promotes and enables private investment in Africa.

AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.

With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.