
IPO Watch Africa 2014



\$11.0bn

IPO and FO proceeds raised in 2014
\$37.4bn proceeds raised from 2010
to 2014

24 IPOs

Companies listed in 2014
90 IPOs from 2010 to 2014

60 FOs

Further offers in 2014
249 further offers from 2010 to
2014

January 2015

About IPO Watch Africa

IPO Watch Africa surveys all new primary market equity IPOs and FOs in which capital was raised on Africa's principal stock markets and market segments (including exchanges in Algeria, Botswana, Côte d'Ivoire, Egypt, Gabon, Ghana, Kenya, Mauritius, Mozambique, Nigeria, Morocco, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe), as well as IPO and FO activity of African companies* on international exchanges, on a yearly basis. Movements between markets on the same exchange are excluded.

This survey was conducted up to 31 December 2014 and captures IPOs based on their pricing date. All market data is sourced from Dealogic, Bloomberg and the stock markets themselves unless otherwise stated and has not been independently verified by PwC.

* Companies with primarily African operations, as defined by Dealogic

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Foreword

Welcome to the Africa IPO Watch 2014, PwC's inaugural publication exploring equity market trends across the African continent.

Reflecting the integrated nature of capital markets, we have broadened our discussion beyond initial public offerings (IPOs) to include the equity follow-on market, or further offers (FOs). Our goal is to provide insights relevant to potential investors or those businesses undertaking an IPO or FO transaction in the near future.

Our publication analyses equity capital market (ECM) transactions that occurred during 2010-2014 on exchanges throughout Africa, as well as transactions by African companies on international exchanges. Among the emerging markets, we believe that Africa is poised to contribute significantly to global economic growth in the near term; we are not alone in this belief.

While starting from a low base, the continent has shown average rates of growth of nearly 5% per annum, making it one of the fastest-growing regions in the world.

We hope you find the insights of our first analysis of African equity capital markets to be both interesting and useful.



Nicholas Ganz

Nicholas Ganz

PwC Africa Capital Markets Group
Leader



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Clifford Tompsett

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Summary of key findings

Market outlook

Despite uncertainties introduced by recent commodity price volatility, the overall outlook for economic growth in the Africa region is positive, as the number of territories displaying characteristics of more developed economies increases steadily.

Improving social conditions, rising urbanisation and the adoption of new technological advances (information and communication technologies, in particular) provide strong foundations for sustained growth.

Performance of African markets was strong in 2014, with an increase in ECM activity of 42% in terms of volume of offers and 100% in terms of capital raised when compared with prior-year activity. Further liberalisation of exchange regulations in some key territories, such as Tanzania, as well as harmonisation of regional exchanges bodes well for continued growth of ECM activity in 2015.

In terms of industry performance, media focus over the past few years has been on the impact of the resources sector on growth in Africa. However, data suggests a more mature market with participants from a broad range of sectors, most notably financial services (including real estate) and consumer products, accessing the capital markets. Growth in these sectors is a hallmark of shifting economic demographics and an emerging middle class.

Analysis of regional trends

Reflective of improved investor sentiment across the continent during the past few years, recent IPO trends indicate a greater share of capital was raised in markets outside of South Africa, which itself accounted for only 32% and 44% of total IPO capital raised in 2013 and 2014, respectively, a departure from its more prominent position in prior years.

While IPO activity increases across Africa, FOs remain dominated by capital raising in South Africa, which accounted for 83% of proceeds in 2014. This reflects the depth and stability of the South African listed company and investor base, underpinned by a securities exchange regulatory framework ranked first in the world by the World Economic Forum's 2014-2015 Global Competitiveness Report.

Recent IPOs elsewhere on the continent, combined with enhancements to regulatory frameworks, improved infrastructure and decreased levels of political turmoil in certain large markets, suggest the potential for a shift in the composition of FOs in the years to come.

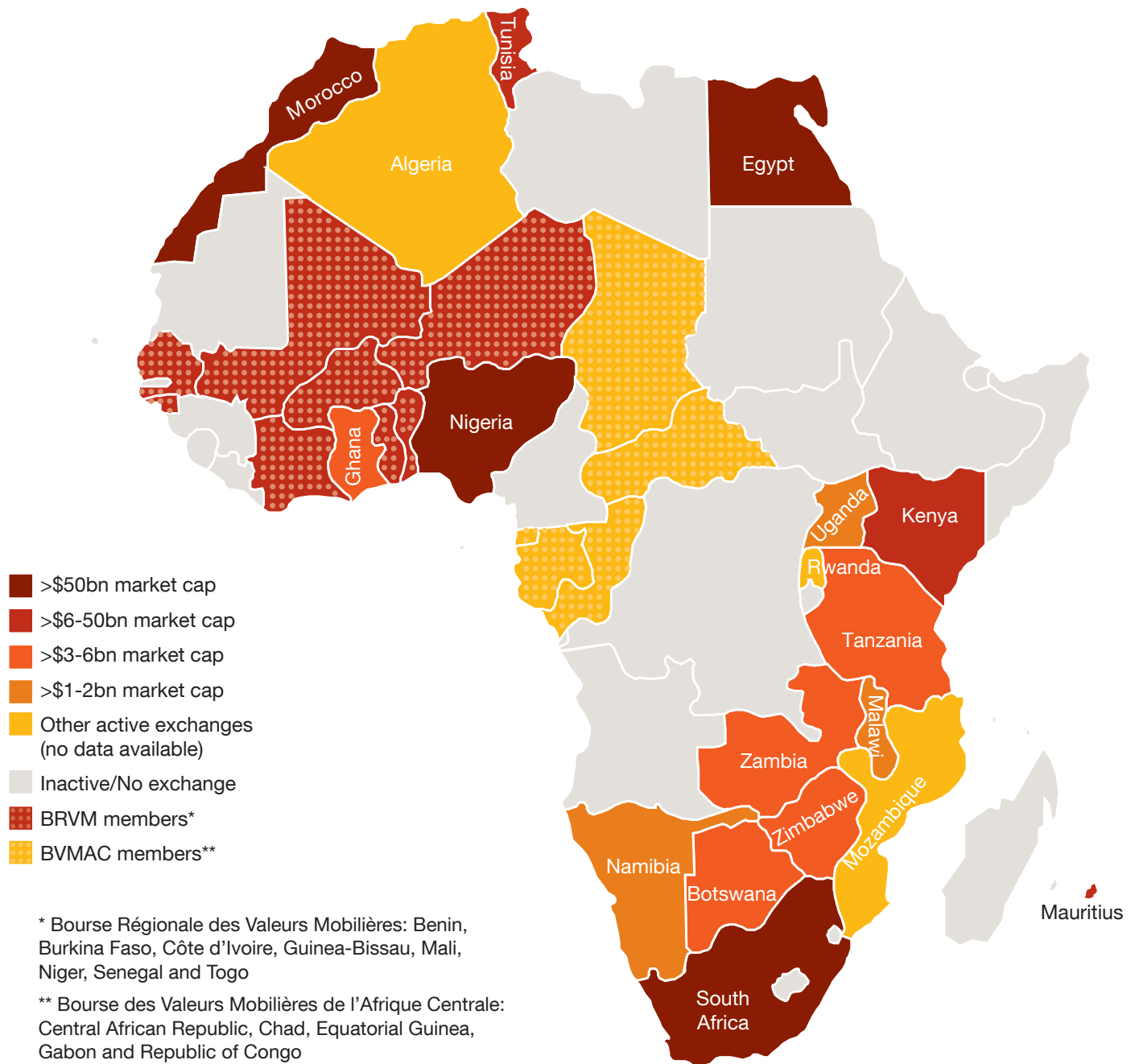
International exposure

A number of the top 10 IPOs in 2013 and 2014 had a notable international component, either foreign companies raising capital directly on African exchanges, or African companies marketing shares to international investors through dual listings or sales to qualified institutional buyers abroad. This trend highlights an increasing global integration of businesses in Africa and the interest of international investors in opportunities in Africa.

In addition to the \$31.1bn raised through FOs on African exchanges during the period 2010-2014, \$1.2bn of FO capital was raised by African companies on international exchanges. FOs in this context include companies seeking to expand their investor base via a secondary listing, as with the 2011 listing of Elemental Minerals on the Toronto Stock Exchange and the 2013 listing of MiX Telematics on the New York Stock Exchange under the Jumpstart Our Business Startups (JOBS) Act, as well as those raising further funds from existing international listings.

The sector profile of these outbound FOs differs to those of African IPOs and FOs over the same period, in that the resources sector takes a more prominent, and perhaps more anticipated role, when analysed both by number and size of offer.

Overview of African stock exchanges at 31.12.2014

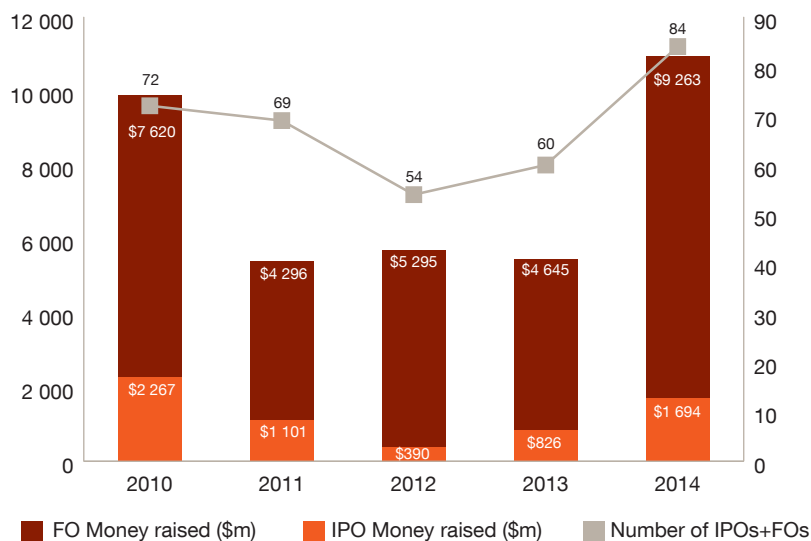


Largest exchanges (by country)	Number of listed companies	Market capitalisation (\$bn)
South Africa	380	934
Egypt	247	70
Nigeria	197	62
Morocco	75	53

Sources: World Federation of Exchanges, Nigerian Stock Exchange

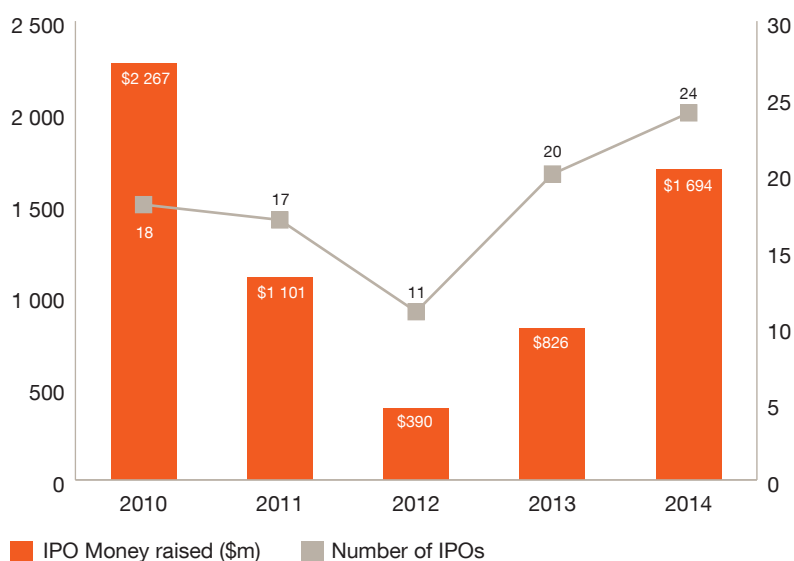
1. Proceeds of African IPOs and FOs 2010-2014

Overall ECM activity, 2010-2014



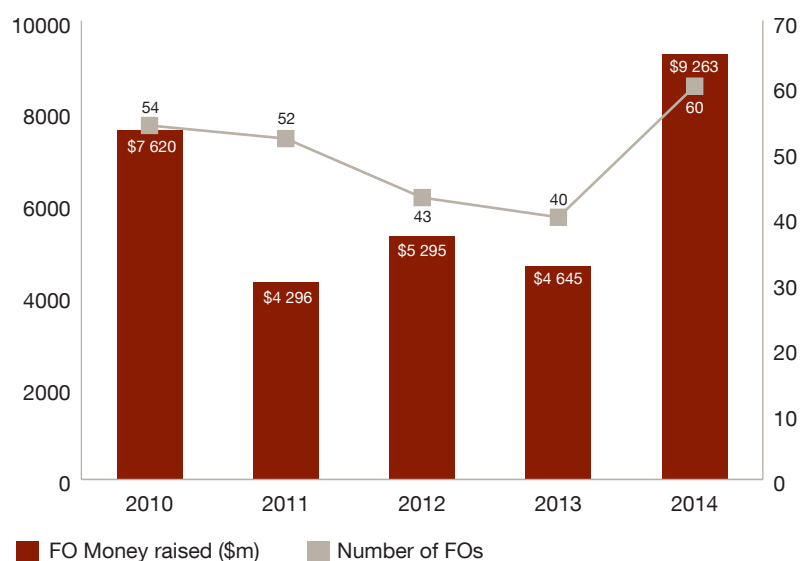
- Over the past five years there have been 340 ECM transactions raising \$37.4bn.
- Over this period money raised by companies on the JSE represented 78% of capital raised and 64% of transaction volume.
- In 2014, money raised by companies on other African exchanges increased to \$2.1bn from \$0.8bn.
- During 2014, ECM activity overall increased by 42% in terms of volume of transactions and doubled in terms of capital raised to \$11.0bn from \$5.5bn in 2013.

African IPOs, 2010-2014



- Over the past five years there have been 91 IPOs raising \$6.3bn. Over this period:
 - money raised from IPOs by companies on the JSE represented 57% of capital raised, but only 33% of transaction volume; and
 - average proceeds raised per IPO were \$69m (\$119m on the JSE and \$45m on other African exchanges).
- In 2014, money raised by companies on other African exchanges increased to \$1.0bn from \$0.6bn in 2013.
- In both 2013 and 2014, funds raised in IPOs on other African exchanges exceeded funds raised on the JSE.
- During 2014, IPO activity overall increased from 20 to 24 IPOs and doubled in terms of capital raised to \$1.7bn from \$0.8bn in 2013.

African FOs, 2010-2014



- Over the past five years, there have been 249 further offers raising \$31.1bn.
- Over this period, money raised by companies on the JSE represented 83% of capital raised and 75% of transaction volume.
- In 2014, money raised in FOs by companies on other African exchanges increased to \$1.2bn from \$0.2bn in the prior year.
- Overall, FO activity during 2014 increased by 50% in terms of volume of transactions and doubled in terms of capital raised to \$9.3bn from \$4.6bn in 2013.

Source: Dealogic

2. African IPO data by exchange

Exchange country	2010		2011		2012		2013		2014		Total	
	Number of IPOs*	Money raised (\$m)*	Number of IPOs*	Money raised (\$m)*	Number of IPOs*	Money raised (\$m)*	Number of IPOs*	Money raised (\$m)*	Number of IPOs*	Money raised (\$m)*	Number of IPOs*	Money raised (\$m)*
South Africa	7	1 504	5	790	5	258	4	260	9	742	31	3 554
Johannesburg	6	1 503	5	790	3	247	4	260	8	734	26	3 535
Johannesburg AltX	1	1	0	0	2	11	0	0	1	8	4	19
Tunisia	3	182	1	9	2	8	11	176	6	125	23	499
Morocco	2	167	3	50	1	3	1	122	1	127	8	469
Kenya	0	0	2	76	2	75	0	0	1	7	5	157
Egypt	3	380	0	0	0	0	0	0	1	109	4	489
BVMAC	0	0	0	0	0	0	1	65	0	0	1	65
Botswana	2	45	2	68	1	47	0	0	0	0	5	160
Tanzania	0	0	1	7	0	0	1	2	2	6	4	16
Nigeria	1	90	0	0	0	0	1	190	1	538	3	818
Rwanda	0	0	2	91	0	0	0	0	0	0	2	91
Uganda	1	4	0	0	1	66	0	0	0	0	2	69
Mozambique	0	0	0	0	0	0	1	11	0	0	1	11
Mauritius	0	0	1	10	0	0	0	0	1	29	2	39
Algeria	1	20	0	0	0	0	0	0	0	0	1	20
Zambia	0	0	0	0	0	0	0	0	1	9	1	9
Ghana	0	0	0	0	0	0	0	0	1	1	1	1
Total	18	2 267	17	1 101	11	390	20	826	24	1 694	90	6 278

* Companies listed on two exchanges or more are accounted for on each exchange. The total restates the overlap.

Source: Dealogic

3. African FO data by exchange

Exchange country	2010		2011		2012		2013		2014		Total	
	Number of FOs	Money raised (\$m)	Number of FOs	Money raised (\$m)	Number of FOs	Money raised (\$m)	Number of FOs	Money raised (\$m)	Number of FOs	Money raised (\$m)	Number of FOs	Money raised (\$m)
South Africa	35	5 310	30	2 992	37	4 828	35	4 458	50	8 085	187	25 672
Johannesburg	35	5 310	30	2 992	34	4 800	34	4 458	46	8 015	179	25 574
Johannesburg AltX	0	0	0	0	3	28	1	0	4	70	8	99
Egypt	10	1 595	7	346	1	3	0	0	1	522	19	2 467
Alexandria	1	0	0	0	0	0	0	0	0	0	1	0
Cairo	9	1 595	7	346	1	3	0	0	1	522	18	2 467
Kenya	4	211	1	117	3	239	0	0	2	46	10	614
Nigeria	3	284	0	0	2	224	2	424	2	359	9	1 292
Morocco	1	345	4	555	0	0	1	47	1	71	7	1 017
Mauritius	0	0	3	14	1	13	0	0	1	7	5	34
Tunisia	0	0	1	1	0	0	3	60	1	12	5	73
Zambia	0	0	2	73	0	0	0	0	1	62	3	135
Zimbabwe	2	15	1	10	0	0	0	0	0	0	3	25
Ghana	0	0	2	115	0	0	0	0	0	0	2	115
Tanzania	0	0	1	73	0	0	0	0	0	0	1	73
Uganda	0	0	0	0	0	0	0	0	1	98	1	98
Total	54	7 620	52	4 296	43	5 295	40	4 645	60	9 263	249	31 118

* Companies listed on two exchanges or more are accounted for on each exchange. The total restates the overlap.

Source: Dealogic



4. Top 10 IPOs by proceeds in 2014 and 2013

Top 10 IPOs 2014

Name	Money raised \$m	Sector	Country of operation	Stock Exchange
SEPLAT Petroleum Development Co Ltd	538	Oil & gas	Nigeria	Nigeria/ London Main Market
Alexander Forbes Group Holdings Ltd	348	Financials	South Africa	Johannesburg
Résidences Dar Saada SA	127	Financials	Morocco	Casablanca
Arabian Cement Co (Egypt)	109	Industrials	Egypt	Cairo
Rhodes Food Group Holdings Ltd	100	Consumer goods	South Africa	Johannesburg
Pivotal Fund Ltd	92	Financials	South Africa	Johannesburg
Delice Holding SA	67	Consumer goods	Tunisia	Tunis
Equites Property Fund Ltd	61	Financials	South Africa	Johannesburg
Tharisa plc	47	Basic materials	South Africa	Johannesburg
Cartrack Holdings Ltd	44	Industrials	South Africa	Johannesburg

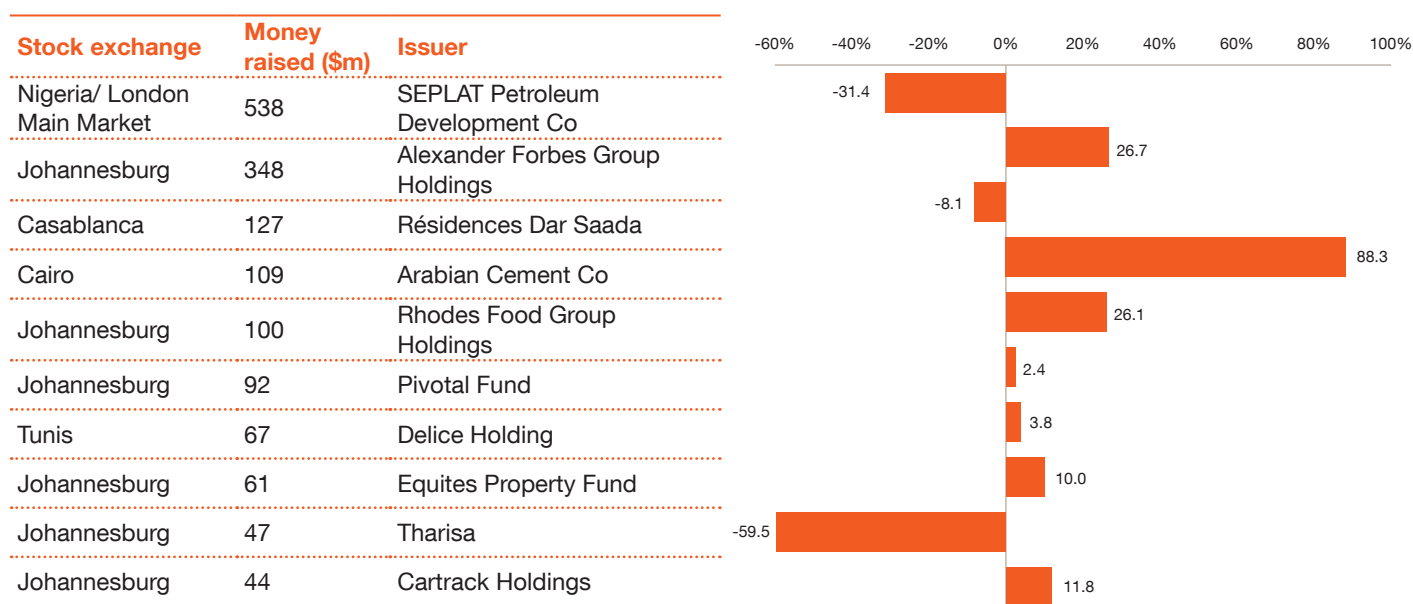
Top 10 IPOs 2013

Name	Money raised \$m	Sector	Country of operation	Stock Exchange
UPDC Real Estate Investment Trust	190	Financials	Nigeria	Nigeria
Jorf Lasfar Energy Co	122	Utilities	Morocco	Casablanca
Investec Australia Property Fund	107	Financials	Australia	Johannesburg
Attacq Ltd	80	Financials	South Africa	Johannesburg
Siat Gabon	65	Basic materials	Gabon	BVMAC
One Tech Holding SA	50	Technology	Tunisia	Tunis
Ascendis Health (pty) Ltd	45	Health care	South Africa	Johannesburg
SAH Société d'Articles Hygiéniques Tunisie SA	36	Consumer goods	Tunisia	Tunis
Tower Property Fund Ltd	29	Financials	South Africa	Johannesburg
City Cars	27	Consumer services	Tunisia	Tunis

Source: Dealogic

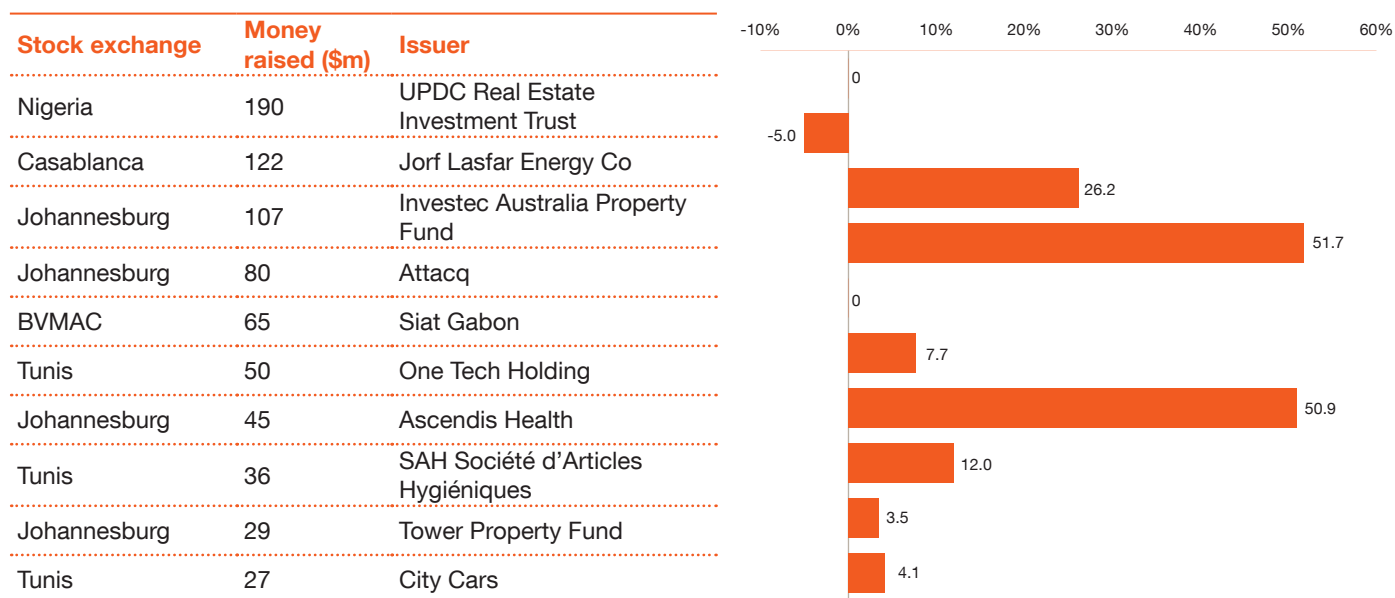
5. Performance of 2014 top 10 IPOs

Share price performance of 2014 top 10 African IPOs at 31.12.14



Source: Dealogic

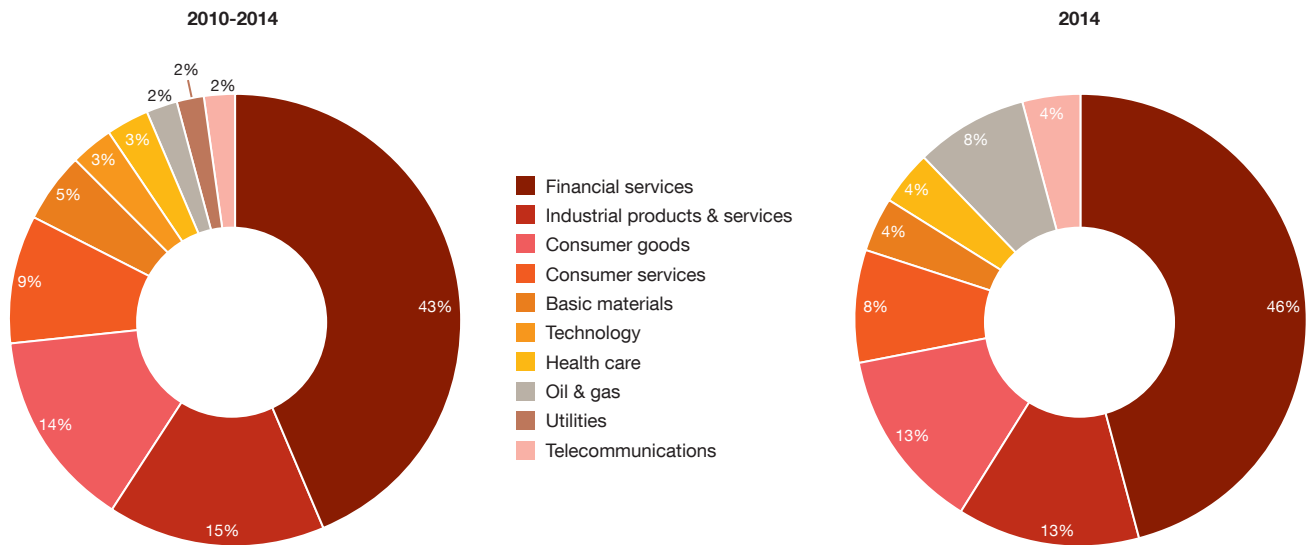
Share price performance of 2013 top 10 African IPOs at 31.12.14



Source: Dealogic

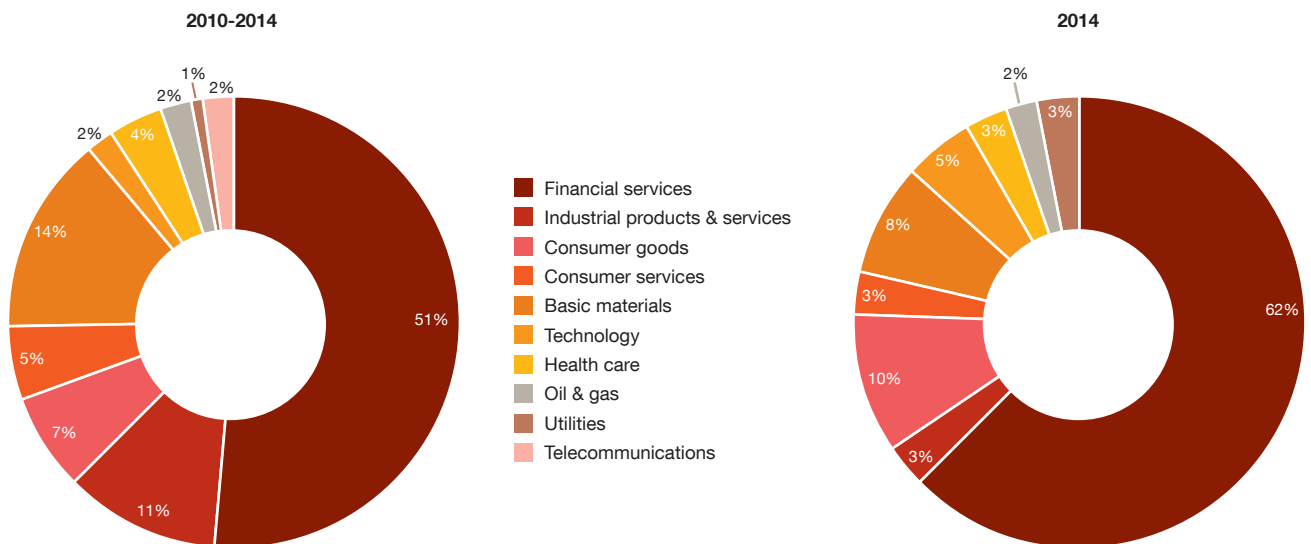
6. Analysis by sector

IPOs breakdown by sector (by number of IPOs)



Source: Dealogic, Bloomberg

FOs breakdown by sector (by number of FOs)



Source: Dealogic, Bloomberg

Supporting data:

Sector	Over the past five years			In 2014		
	Number of IPOs	Number of FOs	Total	Number of IPOs	Number of FOs	Total
Financials	38	127	165	11	37	48
Industrials	14	28	42	3	2	5
Consumer goods	13	17	30	3	6	9
Consumer services	8	13	21	2	2	4
Basic materials	5	36	41	1	5	6
Technology	3	6	9	0	3	3
Health care	3	11	14	1	2	3
Oil & gas	2	4	6	2	1	3
Utilities	2	3	5	0	2	2
Telecommunications	2	4	6	1	0	1
Total	90	249	339	24	60	84

Source: Dealogic, Bloomberg



7. Cross-border and inbound IPOs

Cross-border IPOs (African companies* listing on a non-domestic African exchange)

Date	Issuer's name	Country	Sector	Stock exchange	Money raised (\$m)
12/11/2012	Umeme Ltd	Uganda	Utilities	Nairobi/ Uganda	66
12/07/2010	Ennaki Automobiles SA	Tunisia	Consumer goods	Casablanca/ Tunis	87
01/04/2010	Wilderness Holdings Ltd	Botswana	Consumer services	Botswana/ Johannesburg	37

Inbound IPOs (non-African companies listing in Africa)

Date	Issuer's name	Country	Sector	Stock exchange	Money raised (\$m)
14/10/2013	Investec Australia Property Fund	Australia	Financials	Johannesburg	107

Source: Dealogic

8. Outbound IPOs: African companies* listing outside Africa

Outbound IPOs

Date	Issuer's name	Country	Sector	Stock exchange	Money raised (\$m)
29/05/2013	Syphax Airlines SA	Tunisia	Industrials	Turin	15
17/05/2013	Lekoil Ltd	Nigeria	Oil & gas	London AIM	49
10/12/2012	Premier African Minerals Ltd	Togo	Financials	London AIM	2
26/03/2012	Bushveld Minerals Ltd	South Africa	Basic materials	London AIM	9
20/12/2010	Shaft Sinkers Holdings plc	South Africa	Basic materials	London Main Market	48
09/12/2010	Geodrill Ltd	Ghana	Basic materials	Toronto	45
29/11/2010	Madagascar Oil Ltd	Madagascar	Oil & gas	London AIM	79
18/11/2010	Zanaga Iron Ore Co Ltd	DR Congo	Basic materials	London AIM	99
19/08/2010	Masawara plc	Zimbabwe	Financials	London AIM	24

Dual listing:

09/04/2014	SEPLAT Petroleum Development Co Ltd	Nigeria	Oil & Gas	Nigeria/ London Main Market	538
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Source: Dealogic

* Companies with primarily African operations, as defined by Dealogic

9. Outbound FOs: African companies* accessing international capital markets

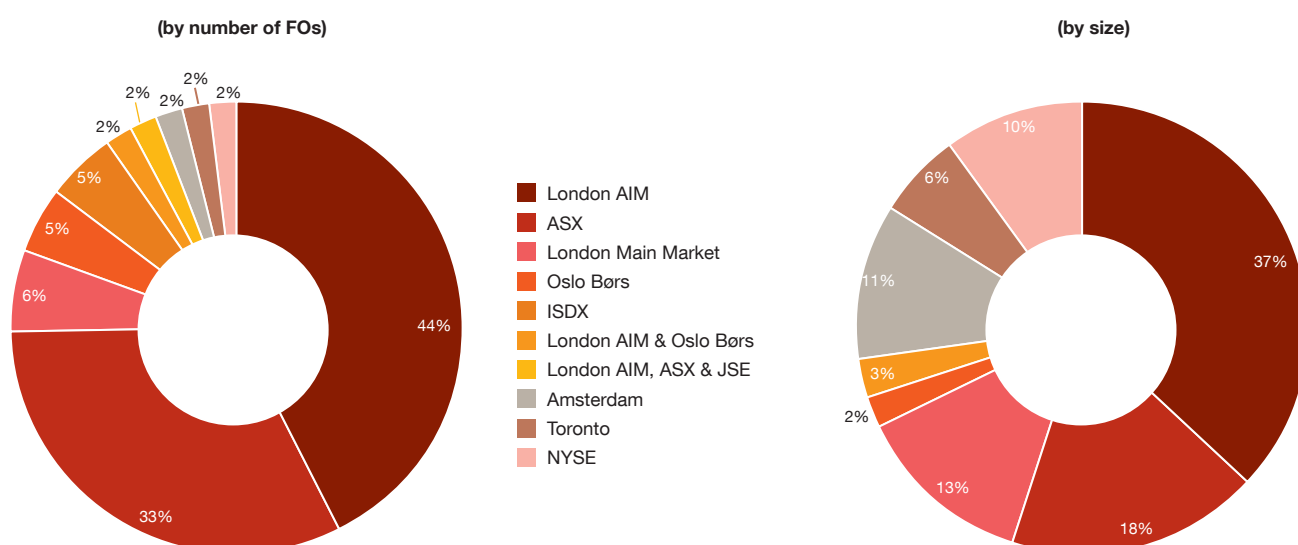
Top 10 outbound FOs, 2010-2014

Date	Name	Country	Sector	Stock Exchange	Money raised (\$m)
21/05/2014	Lekoil Ltd	Nigeria	Oil & gas	London AIM	38
01/11/2013	Lekoil Ltd	Nigeria	Oil & gas	London AIM	100
28/10/2013	Wentworth Resources Ltd	Tanzania	Utilities	London AIM/ Oslo Børs	40
18/09/2013	OCI NV	Egypt	Industrials	Amsterdam	134
08/08/2013	MiX Telematics Ltd	South Africa	Technology	New York	116
12/02/2013	Madagascar Oil Ltd	Madagascar	Oil & gas	London AIM	75
27/06/2012	Namakwa Diamonds Ltd	South Africa	Basic materials	London Main Market	57
22/02/2012	Madagascar Oil Ltd	Madagascar	Oil & gas	London Main Market	38
19/11/2011	Masawara plc	Zimbabwe	Financials	London AIM	38
10/08/2011	Elemental Minerals Ltd	South Africa	Basic materials	Toronto	64
24/12/2010	Namakwa Diamonds Ltd	South Africa	Basic materials	London Main Market	55

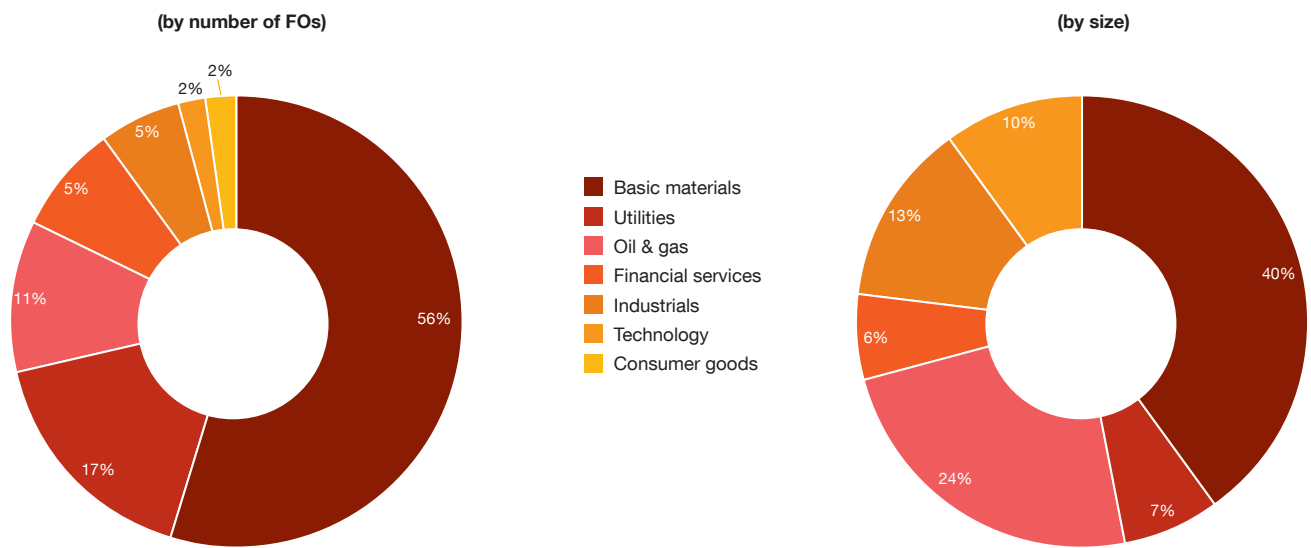
Source: Dealogic

* Companies with primarily African operations, as defined by Dealogic

Outbound FOs breakdown by exchange



Outbound FOs breakdown by sector



Source: Dealogic

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Notes



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