

SAVCA

Private Capital Industry Survey Highlights

2026

ignite

Unlocking the Next Era of Private Capital

Research
partner



EY Parthenon
Shape the future with confidence

Foreword

Positioned for the next phase of growth



The findings of the **SAVCA Private Capital Industry Survey 2026** reflect an industry that continues to demonstrate resilience and long-term confidence despite a complex and evolving environment.

In Southern Africa 2025 saw lower inflation, easing interest rates and modestly improved economic growth, creating a more supportive backdrop for investment activity. At the same time, global trade tensions, geopolitical uncertainty and shifting market conditions contributed to a more cautious investment environment.

Against this backdrop, private capital continued to demonstrate its value. While investment activity moderated following the strong deployment levels recorded in 2024, fundraising increased significantly during 2025, the second highest level in 10 years, despite the global fundraising decline. Particularly encouraging is the increased allocation by pension and endowment funds, reflecting continued investor confidence in the asset class and the opportunities available across the region.

Strong exit activity also signalled improved market conditions, with trade sales re-emerging as the leading exit route and public markets reopening for larger, high-growth private capital-backed businesses. These developments are important indicators of a healthy private capital ecosystem, providing investors with greater flexibility and creating pathways for capital to be recycled into new opportunities.

Although the industry's funds under management declined modestly in rand terms due to strong exit activity and capital returned to investors, the appreciation of the Rand against the USD resulted in an increase when expressed in USD.

The findings also reaffirm the important role private capital plays in supporting strategic sectors that are critical to economic growth and development across the region, underpinned by continued market reform. From energy and infrastructure to growing businesses across multiple sectors, private capital provides not only funding but also the expertise, governance and strategic support needed to build stronger, more sustainable business.

Increasingly, firms are concentrating on operational value creation, transformation, talent development, governance excellence, technological innovation and portfolio resilience, but further focus is required on improving the quality

of ESG and impact data. As competition intensifies and market dynamics evolve, these capabilities are important differentiators for managers seeking to deliver superior outcomes for investors and portfolio companies alike.

Looking ahead, the outlook remains positive. Confidence in fundraising, investment activity and future deal flow reflects a strong belief in the long-term potential of Southern Africa. Realising that potential will require continued collaboration between investors, fund managers, policymakers and regulators to create an environment that supports investment, innovation and growth.

The opportunity before us is clear: to translate confidence into action and ensure that private capital continues to play a central role in building a more competitive, inclusive and prosperous economy.

Thank you to our members, participating firms and allocators for contributing your time and insights to this survey. Your continued support and willingness to share data make the SAVCA Private Capital Industry Survey an important benchmark for our industry, helping to inform decision-making.

A sincere thank you to **EY-Parthenon Africa**, our research partner, for their continued partnership, analytical rigour and commitment in producing this important body of work.

We hope you find this report both insightful and valuable.

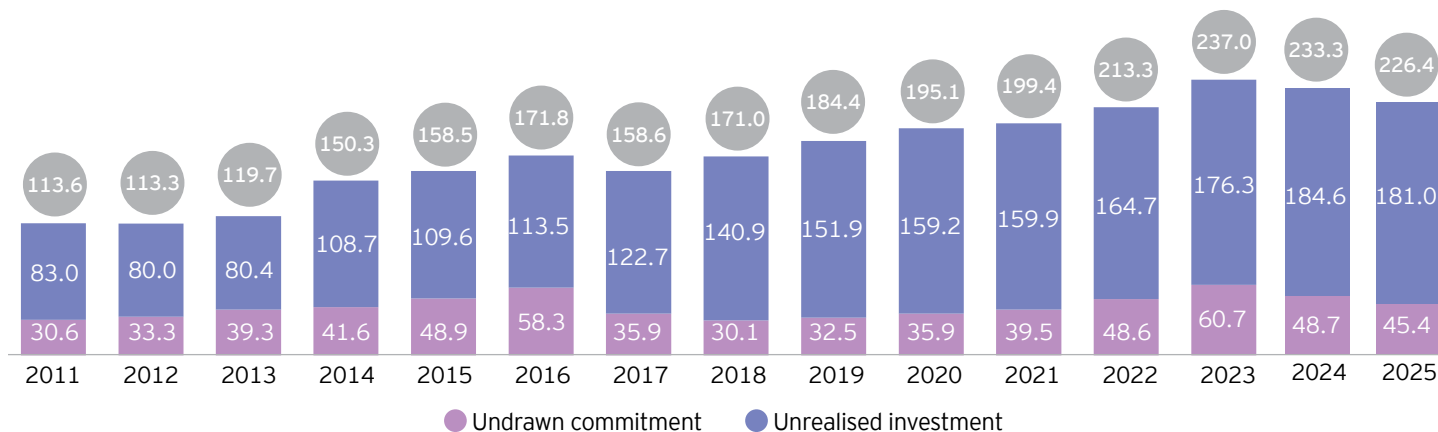
A handwritten signature in black ink, appearing to read 'Anusha', with a stylized flourish underneath.

Regards,

Anusha Naidu,
SAVCA CEO

Southern Africa Private Capital Survey Highlights

Funds Under Management (FUM) fell 3% to R226.4bn in 2025 from R233.3bn in 2024, but rose 11% in USD terms.

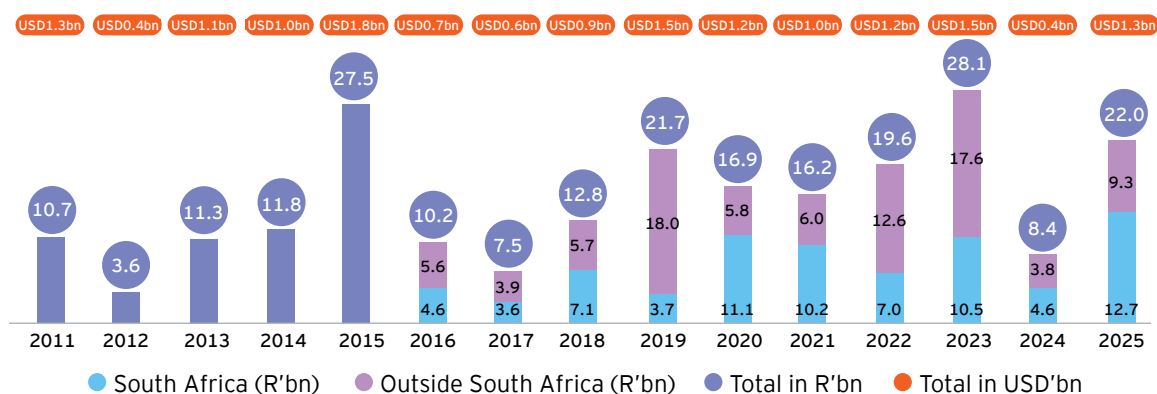


On a like-for-like basis (same firms in this year as last year), FUM fell by 5.8%, although 42% of these firms grew their FUM.

FUM shifted towards infrastructure, energy and related funds, whose share rose to 42% from 29%; generalist funds fell to 43% from 54%.

Undrawn commitments (dry powder) decreased 7% to R45.4bn in 2025 from R48.7bn in 2024, but remains roughly twice annual deployment, preserving capacity to make investments.

Fundraising rebounded to R22.0bn in 2025, the second highest level of funds raised in a decade.



Large firms (FUM of over R10bn) secured 51% of funds raised, while mid-market firms (FUM of between R2bn and R5bn) represented the largest share (7 out of 18, or 38%) of the number of firms raising funds.

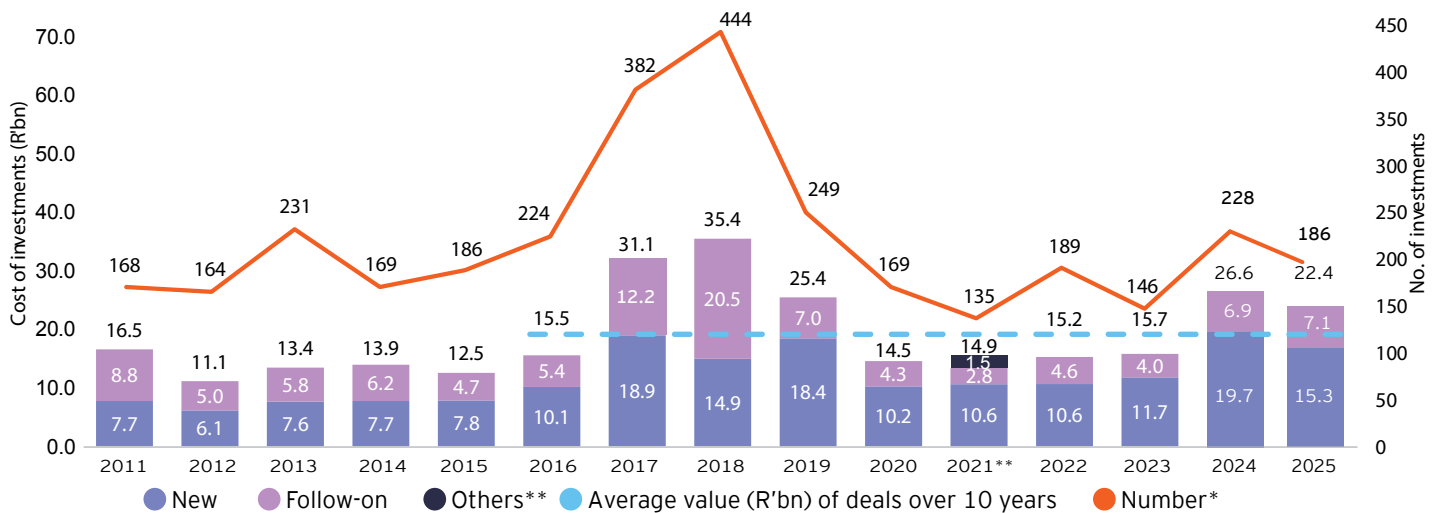
By type of Private Capital fund, Infrastructure, and Energy and related funds still attracted the majority (62%) of funds raised in 2025, but down from 71% in 2024.

The proportion of funds raised by generalist funds increased (33% vs. 22% in 2024).

South African investors contributed 55% of funds raised, their highest share in 4 years.

South African pension and endowment funds were the largest disclosed source of capital at R4.4bn, up from R1.6bn in 2024.

Investment activity slowed: value fell by 16% to R22.4bn and volume fell 18% to 186 deals.



Mid-market firms (FUM of R2bn to R5bn) increased their share of deal volume to 37%, up from 14% in 2024.

Generalist funds increased their share of investment value to 59%, from 41% in 2024.

Energy, education, real estate and infrastructure led investment by value; energy also led deal volume at 15%, up from 10%.

Portfolio growth remained resilient, but performance in the last 3 years (2023 to 2025) across the portfolio diverged.

Employment grew at 70% of portfolio companies, but 30% reduced headcount.

For those portfolio companies that expanded headcount, the weighted average CAGR was 16% (83,907 employees in 2023 to 111,969 in 2025).

Retail, and agri and agri-processing faced the most challenges, as 33% and 34% of these respective companies experienced declining headcount.

The revenue CAGR was above 5% at 56% of portfolio companies (down from 66% last year), while 26% recorded declines.

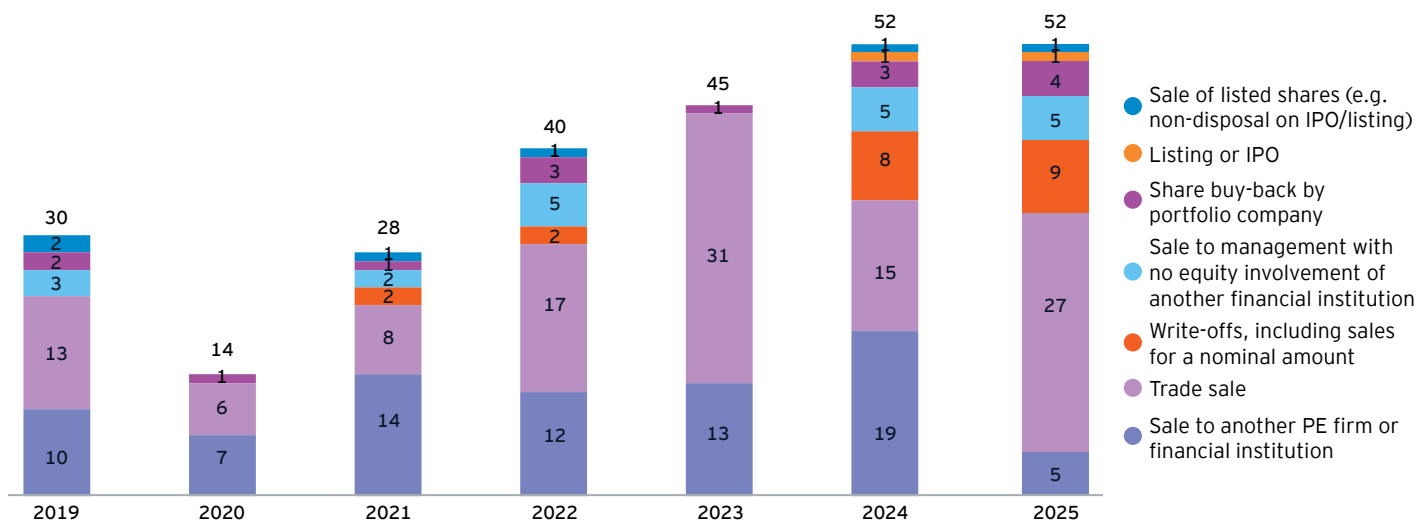
Agri and agri-processing, and retail companies led revenue growth with 100% and 88% of companies with above 5% CAGR, although both were small samples.

However, 26% of portfolio companies had declining revenues (financial services and other sectors being the worst performing with 38% having declining revenues).

Profitability was more uneven: 55% achieved EBITDA CAGR above 5%, but 37% recorded declines (up from 35% last year).

Exit proceeds increased 19% to R20.3bn in 2025.

Exit volumes remained flat at 52, although write-offs increased to 9 from 8 in 2024.



Trade sales re-emerged as the leading exit route, generating R5.8bn across 27 exits.

Infrastructure and energy funds generated 52% of exit proceeds, up from below 20% in each of the prior three years.

For disclosed exits, the proceeds-to-cost of investment ratio improved to 1.6 times from 1.5 times in 2024.

Transformation accelerated across ownership and management, while gender progress remained mixed.

Level 1 B-BBEE fund managers held 47% of FUM, up from 40% in 2024.

67% of Private Capital firms have > 50% black ownership (61% in 2024); 38% of firms had more than 30% black female ownership (31% in 2024); and 83% had majority black management (72% in 2024).

Female representation improved in deal teams and portfolio company boards, but declined on fund manager boards for a second year. The promotion of female board members also remained low.

Ensuring an inclusive culture and increasing diversity are the top talent priorities

ESG impact is strengthening, but data quality remains the binding constraint.

Lack of quality data remains the most significant barrier to ESG progress in portfolio companies.

The share of firms reporting a “very positive” ESG impact on exit outcomes tripled to 15%, from 5% last year.

Confidence is improving, but geopolitical and technology risks are rising.

Geopolitics remains the top concern, while technology disruption is the fastest-rising risk.

Technology transformation rose to a top priority for 40% of local firms, from 11%, but only 7% allocate more than 25% of IT spend to AI, versus 48% globally. Global firms are also seeing more meaningful ROI from AI investments in their portfolio companies.

Southern African firms are more optimistic than last year with 88% (79% last year) of firms expecting accelerated (46%) or moderate (42%) improvement in their FUM over the next 3 years, while allocators remain cautiously optimistic, with 71% expecting moderate growth and 29% expecting FUM to remain at similar levels.

Allocators are more bullish on 2026 fundraising: 57% expect an increase versus 40% of firms.

Second-generation funds have become the highest priority for local allocators as opposed to first-time funds, with private equity, real assets and infrastructure as the leading types of private capital allocation. There is also increasing interest in private credit, venture capital and fund of funds.

Technology emerged as allocators’ leading sector priority, followed by infrastructure.

Dealmaking confidence of both local Private Capital firms and allocators strengthens for 2027 and beyond.



What's
the point
of insight

if it never
becomes
impact?

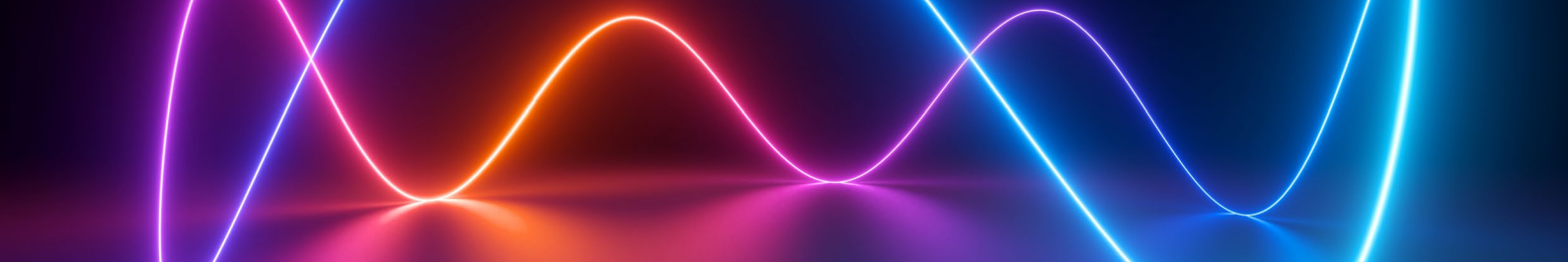
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The better the question.
The better the answer.
The better the world works.



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