SAVCA
SOUTHERN AFRICAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION

SAVCA Private Equity Industry Survey 2025

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Research partner

EY Parthenon
Shape the future with confidence

Foreword

A sector regaining its stride

Southern Africa's private equity landscape is showing signs of renewed confidence. After years of navigating economic headwinds, political uncertainty, and shifting investor sentiment, 2025 is shaping up to be a year of cautious optimism and strategic clarity. Firms and investors alike are turning the page to refocus on dealmaking, explore new investment strategies, and reaffirm commitments to long-term transformation.

Dealmaking gathers momentum

Confidence is returning to the deal environment, with many firms preparing for increased activity and exits. While allocators remain more measured in their short-term expectations, they are optimistic about longer-term growth – signalling a market learning to operate with greater resilience.

Focused growth over scale

The industry is prioritising strategic, sustainable growth. Private Credit and infrastructure are gaining traction – not just as trends, but as purposeful responses to the region's evolving capital needs and development priorities.

The ESG imperative deepens

ESG has become central to investment decisions and value creation. While data challenges persist, the push from LPs is driving firms to build more robust ESG frameworks. The emphasis is shifting from compliance to impact.

Transformation: progress with perspective

There has been meaningful progress in black ownership and leadership, though gender representation, particularly at board level, has declined. Portfolio companies, however, are showing stronger diversity in executive leadership, indicating early signs of deeper transformation.

A stronger voice for allocators

For the first time, allocators in Southern Africa were surveyed directly – bringing valuable, first-hand insight into their priorities, concerns, and aspirations. This addition will become a standard feature of the overall survey, reflecting our strategic objective to build a deeper, more meaningful connection with this vital stakeholder base. We aim to better understand their evolving needs and perspectives, and we encourage even greater participation in future editions. Their growing interest in sectors such as healthcare and infrastructure signals a shift toward more purposeful capital deployment – one that aligns closely with regional development goals and the long-term vision of private equity in Southern Africa.

Looking ahead

Southern African PE is entering a new phase – more agile, more accountable, and more aligned with regional goals. The path forward will require collaboration, innovation, and a shared commitment to sustainable growth.

The road ahead is not without complexity, but the energy, resilience, and innovation already taking shape suggest that Southern African PE is ready to meet the moment.

A note of appreciation

We extend our sincere thanks to our Members for their continued support and to those who participated in this year's survey – your insights are invaluable. Special thanks to our research partner, EY, for their expertise and ongoing collaboration. We remain committed to delivering relevant, high-quality intelligence to guide the industry in the year ahead.

We hope this report serves as a reliable guide to private equity trends in the year ahead.

Regards,

Nicola Gubb,
SAVCA Interim Executive Director

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Southern Africa PE Survey Highlights

Broader Strategic Shifts

Southern African PE firms remain optimistic about the dealmaking environment in 2025, with 50% of participants anticipating elevated activity—43% expecting high levels and 7% expecting very high levels of dealmaking. PE firms expect further strengthening in 2026 with 60% anticipating high dealmaking activity. However, majority of the Southern African allocators expect dealmaking activity to remain normal with a more optimistic increased outlook from 2026 and beyond.

Amongst the Southern African PE firms, Private Credit remains the most favoured strategy for product diversification with 86% of respondents preferring it (50% in last year's survey), although we note it only contributes 6% of FUM at the end of 2024.

The top strategic priority aside from asset growth for both Southern African and global PE firms is product/strategy expansion, however for Southern African allocators, ESG is the top strategic priority.

The top worry of Southern African and global PE firms for 2025 is geopolitical concerns however for Southern African allocators, the top concern is an over-saturation of the market and deals drying up.

One-third or more of PE firms and allocators expect fundraising to improve in 2025, however, allocators have a more positive outlook with 33% of them expecting a significant increase in fundraising in 2025.

Southern African allocators have most of their AUM related to alternatives allocated to Real assets and Infrastructure (42% of the total allocations) and PE (34%), whereas global allocators had a more diversified alternatives allocation with PE preferred most (22%) and then Real Estate (16%) and Private Credit (14%).

Southern African allocators are most interested in seeing PE firms with investment strategies in infrastructure and healthcare.

57% of Southern African and 54% of global PE firms expect an increase in exits in 2025, while Southern African allocators were more optimistic with 66% expecting an increase in exits, which is a positive sign for the industry.

ESG and Impact Investing

LPs' support is considered key for buy-in on ESG strategies within the firm (chosen by 53% of the Southern African PE firms and 49% of global PE firms). Support from portfolio companies emerged as the second most important support group for Southern African PE firms (with 33% of firms acknowledging its criticality) whereas global firms chose deal team members as the second most important support group (with 25% of global firms considering their role important).

The lack of quality data emerged as the greatest barrier to ESG progress among Southern African firms, with 42% identifying it as their top challenge (vs. 29% by global firms).

ESG strategies enhanced exit proceeds for the majority (63%) of Southern African PE firms, with 58% indicating a somewhat positive impact and 5% reporting a very positive impact.

How Are PE Firms Driving Transformation?

In 2024, 43% of Southern African firms had boards with over 30% women, down from 49% in 2023. The share of women in promotions decreased across all levels compared to the last survey, highlighting the need for increased efforts to boost women's participation in the industry.

However, female representation improved at a portfolio company level. The share of PE firms with 11%-30% of women board members in their portfolio companies increased to 61% from 50% in the last survey. Share of PE firms with > 30% women representation in the portfolio company executive management team increased to 23% from 11% in last year's survey.

61% of PE firms have >50% black ownership without applying modified flow through, an improvement from 59% in 2023.

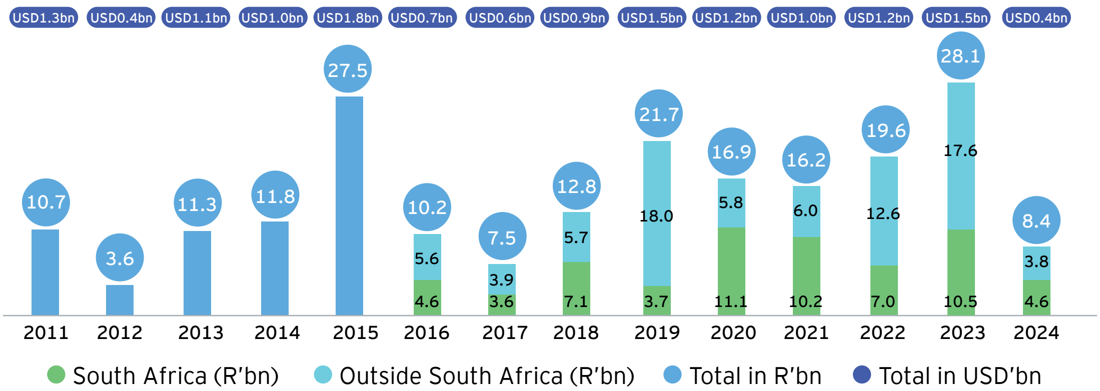
21% of PE firms have >50% black female ownership, up from 16%.

72% of PE firms have > 50% black management, up from 62%.

57% of PE firms reported > 30% black management in their portfolio companies, up from 50%.

Fundraising Activity Insights

R8.4bn Funds raised in 2024, a 70% decline from R28.1bn raised in 2023.



38% of funds raised were by PE firms with Funds Under Management (FUM) over R10bn and

42% were raised by PE firms with FUM of between R5bn and R10bn.

By type of PE fund, Infrastructure and Energy and related funds attracted 71% of funds raised (up from 56% in 2023 and 45% in 2022).

64% of funds raised were from investors outside South Africa, up from 59% in 2023 and 51% in 2022, with European and US investors making up 47% and 17% of investments from outside South Africa, respectively.

Non-South African DFIs, aid agencies and other government investors, remained the largest contributor with investments of R3bn, however this was down from R11.3bn in 2023.

Non-South African corporates rather than South African pension and endowment (down to R1.6bn in 2024 from R6.2bn in 2023) funds were the second most prominent source and provided an allocation of R2.2bn.

Investment Activity Insights

In 2024, investments increased by 69% in value and 56% in volume (R26.6bn with 228 deals vs. R15.7bn with 146 deals in 2023).

~50% - proportion of investments (by number) made by PE firms with FUM of over R5bn (down from 58%), however PE firms with FUM of R500m to R2bn, and R2bn to R5bn, increased their share in dealmaking to 34% (was 29%) and 14% (was 12%) respectively.

Capital deployment exhibited greater sectoral diversification in 2025. Investments in the infrastructure sector (27% by deal value in 2024, albeit only 5% by deal volume) witnessed strong growth (vs. 10% by deal value in 2023) and emerged as the sector with highest share of investment value. It was followed by the energy sector with 13% of deal value and 10% of deal volume (vs. 34% of deal value and 15% of deal volume in 2023). The IT sector witnessed a resurgence with a 12% share of deal value (vs. 5% in 2023).

Portfolio Value Creation

Over 42% of PE portfolio companies (portcos), for which the survey respondents provided portco information for 2022, 2023 and 2024 as part of this year's survey had growth of 5% or more in the number of employees.

Employee growth among portfolio companies from 2022 to 2024 varied significantly across sectors, with IT portcos (72%) and financial services portcos (67%) showing the highest improvement in employee growth above a 5% Compound Annual Growth Rate (CAGR), while agri and agri processing faced the most challenges, as 74% of their portfolio companies experienced stagnant or declining employee numbers.

66% of portfolio companies experienced revenue growth of at least inflation or better (CAGRs over 5%) from 2022 to 2024, up from 63% per last year's survey. More than 50% of companies in each sector reported CAGRs exceeding 5%, with the IT sector leading at 85% followed by healthcare at 67%.

Healthcare and financial services had the highest proportion of companies with rapid revenue growth, with 39% of the portfolio companies in both these sectors achieving CAGRs of > 20%.

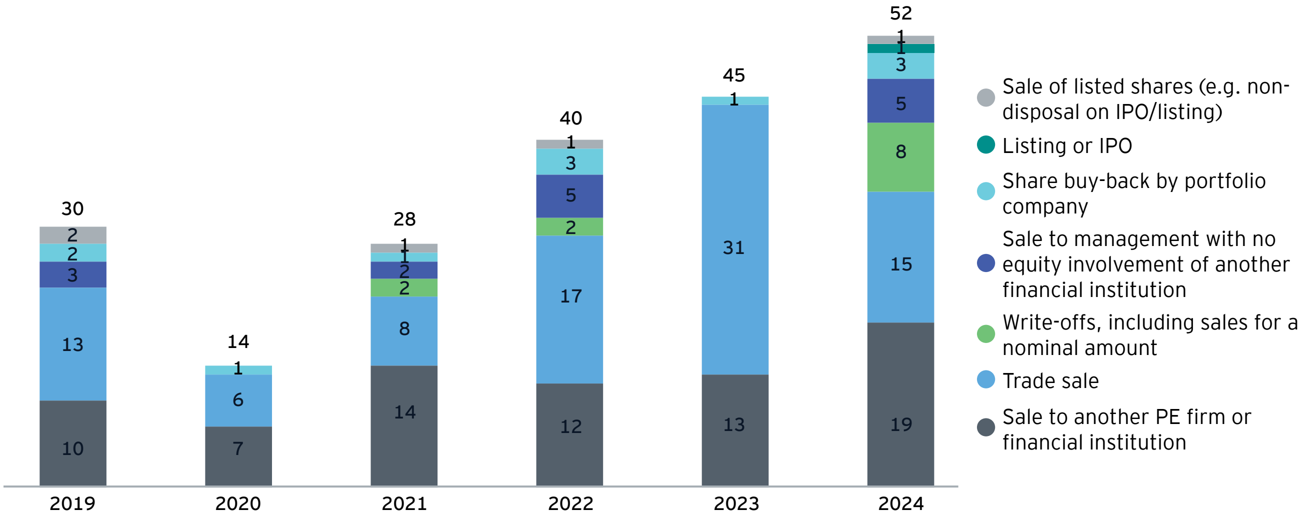
From 2022 to 2024, 56% of portfolio companies achieved an EBITDA CAGR of at least 5%, a decrease from 61% during 2021-2023.

In the financial services sector, despite only 57% of companies experiencing revenue growth of at least 5%, 65% managed to achieve an EBITDA CAGR of > 5%, making it the best-performing sector, slightly ahead of services (64%) and manufacturing (63%).

Exit Activity Insights

Exit proceeds declined to R17.1bn in 2024 from R21.3bn in 2023.

The number of exits however increased from 45 in 2023 to 52 in 2024, although 8 of these related to write-offs compared to no write-offs in 2023 and 2 in each of 2022 and 2021.



Sale to another PE firm was the largest exit route by value of proceeds (R5.7bn or 33%) and volume (19 exits).

Trade sales continued to be the exit route yielding the highest returns, with proceeds amounting to 2.1 times the cost of investments compared to an overall proceeds to cost ratio of 1.5 times.

Over the past two years of exits, mid-sized firms with FUM of R500m to R2bn, as well as large firms with FUM of R5bn to R10bn, have outperformed in terms of their exit proceeds to cost ratio, achieving ratios of 2.3 times and 1.9 times respectively.

Funds Under Management Insights

FUM declined by 2% to R233.3bn at 31 December 2024 from R237.0bn at 31 December 2023.

Captives increased their FUM by over R5bn from 2023 reaching R62.6bn, representing a 9%increase. In contrast, independent PE firms experienced a decline in FUM of over R9bn (5%) and had FUM of R170.6bn at 31 December 2024.

Undrawn commitments (dry powder) depleted to R48.7bn at 31 December 2024 compared to R60.7bn at 31 December 2023, highlighting the use of dry powder in increased investment activity, while fundraising by PE firms was limited.

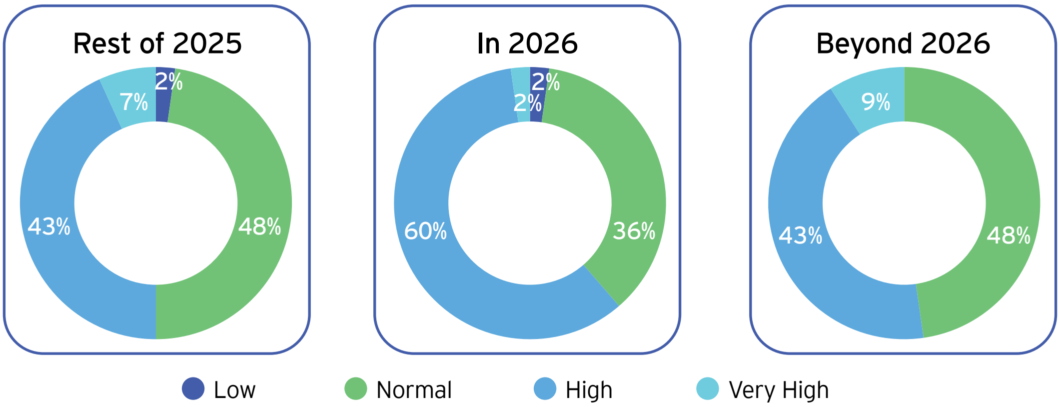
FUM by B-BBEE level 1 firms increased to 40% of FUM (28% at 31 December 2023).

01 Broader Strategic Shifts

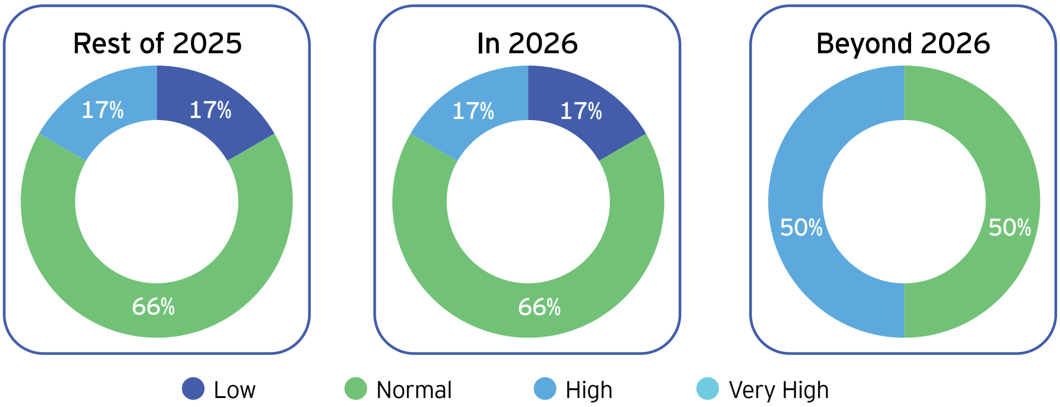
How would you rate deal flow or expect deal flow to perform in the following time periods?

Fueled by easing inflation and an improved economic outlook with declining interest rates, Southern African PE firms have a positive outlook towards deal flow and is expected to be more positive in 2026 and beyond. However, allocators remain cautiously optimistic.

Southern African PE firms' expectations

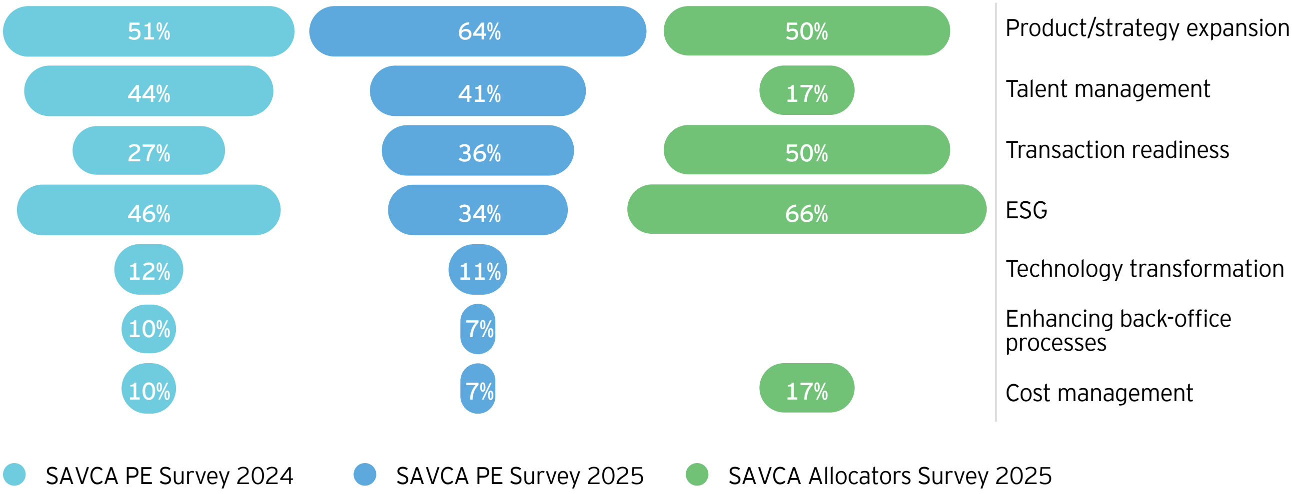


Southern African Allocators' expectations



What are PE firms' top strategic priorities aside from asset growth?*

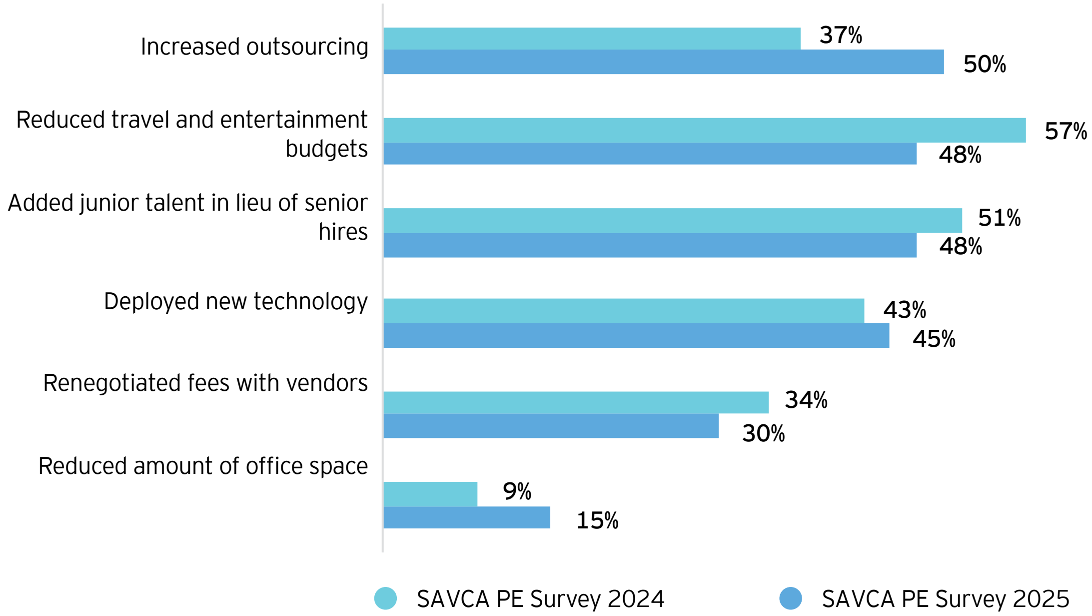
Majority of firms cite product/strategy expansion as a top priority. Transaction readiness increased as a priority, while ESG reduced. However, from the allocators' perspective, ESG is the top priority ahead of product/strategy expansion and transaction readiness.



*Participants could choose multiple options in the survey.

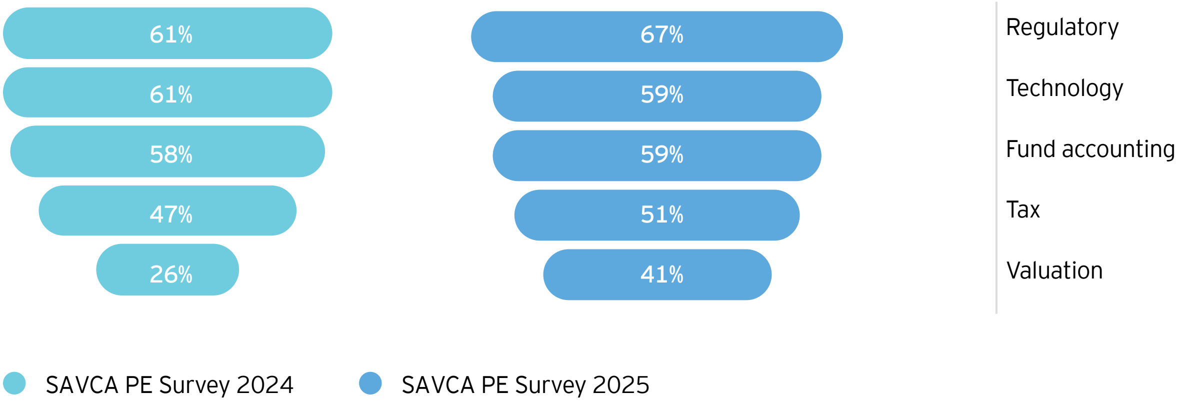
Which actions have you taken to mitigate margin erosion in the management company?*

The action areas to manage costs remained similar, although more focus is being put on outsourcing.



*Participants could choose multiple options in the survey.

What functions have you outsourced to third parties?

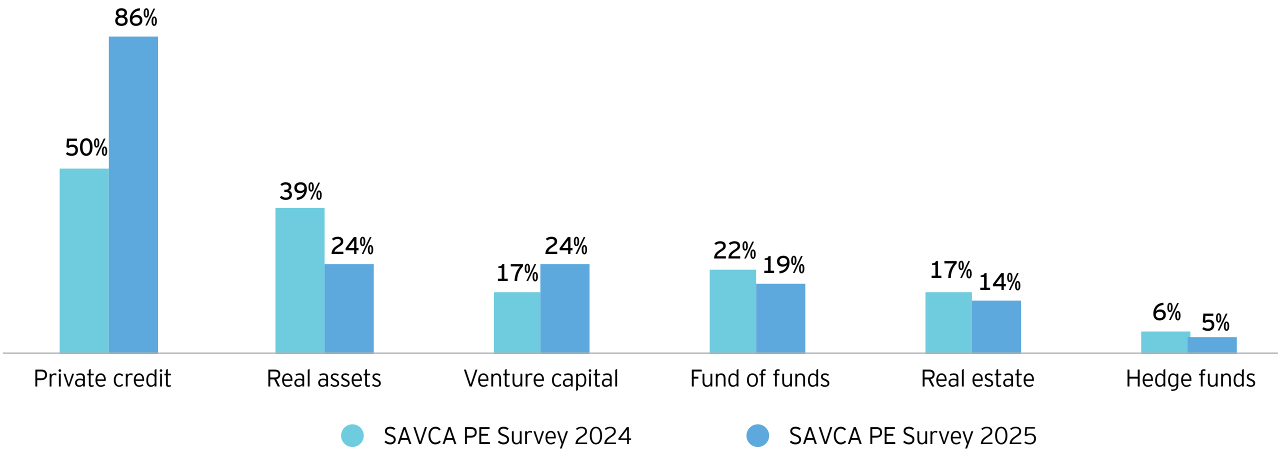


*Participants could choose multiple options in the survey.

Diversification of FUM

Aside from PE, which products do you offer to clients?*

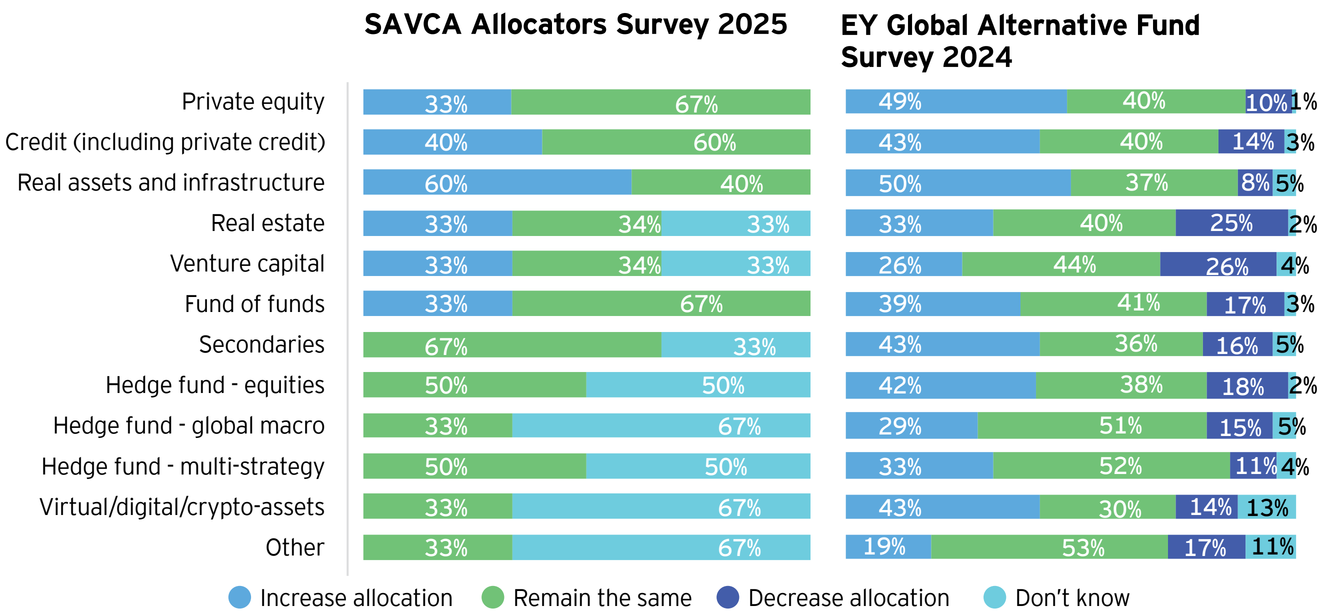
PE firms have enhanced their focus towards Private Credit as more firms chose it as their likely diversification strategy.



*Participants could choose multiple options in the survey.

Survey question to allocators: Do you plan to increase, decrease or maintain your target allocation to the following asset classes in the next three years?

Southern African and global allocators* are aligned on their future allocations as both are expected to enhance their focus on real assets / infrastructure and credit / private credit.

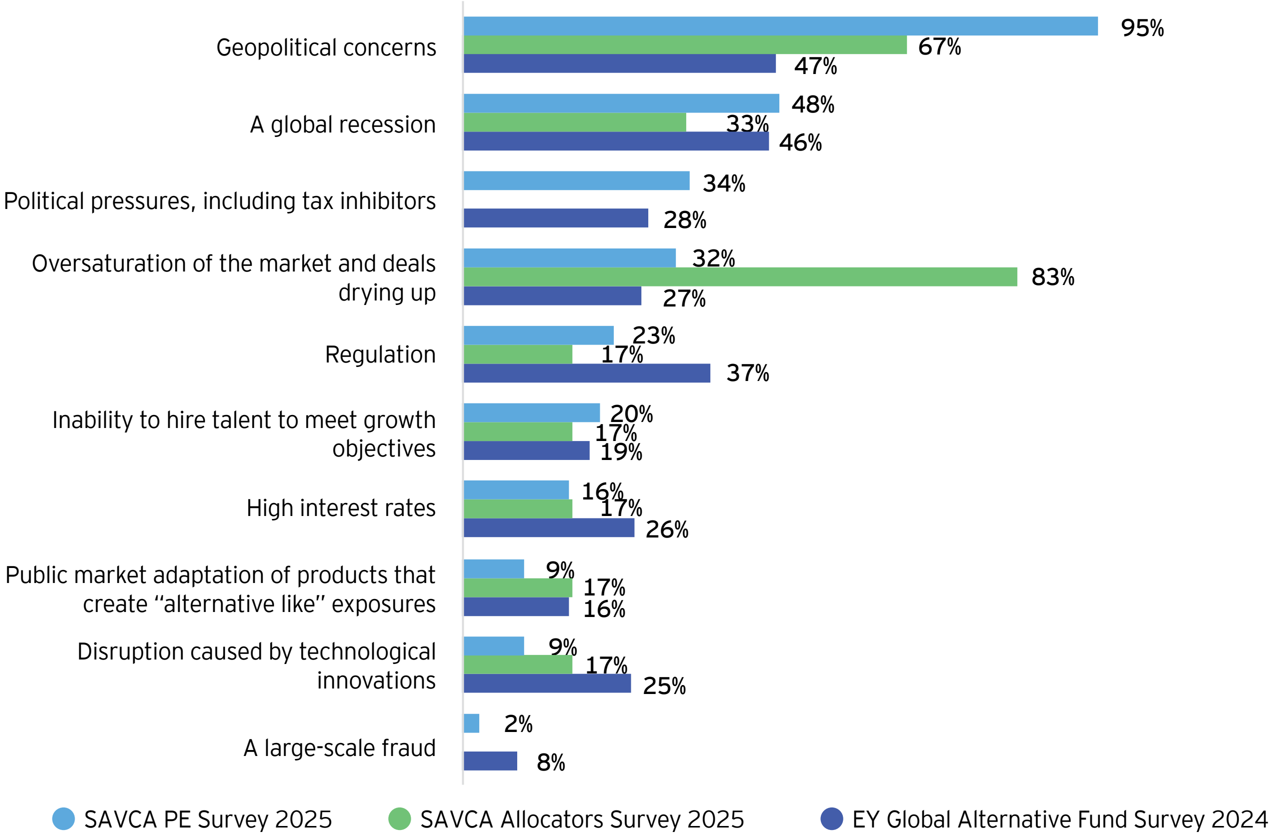


*Global allocators in the report comprises of both alternative fund managers and institutional investors unless mentioned otherwise.

Response to the changing investment landscape

What do you view as the biggest potential worries for PE investors over the next five years?*

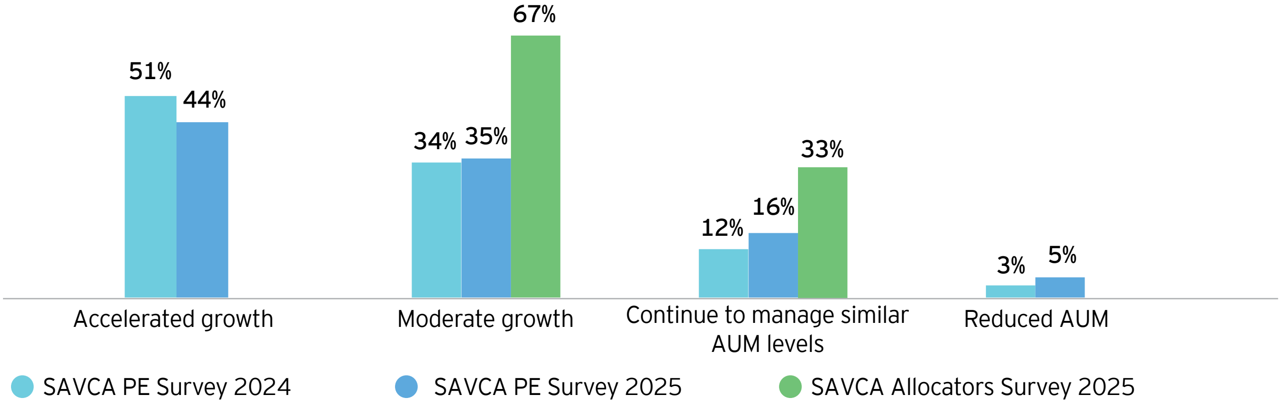
Geopolitical concerns remain the biggest worry for Southern African and global PE firms, but Southern African allocators are more concerned about oversaturation of the market leading to scarcity of deals.



*Participants could choose multiple options in the survey.

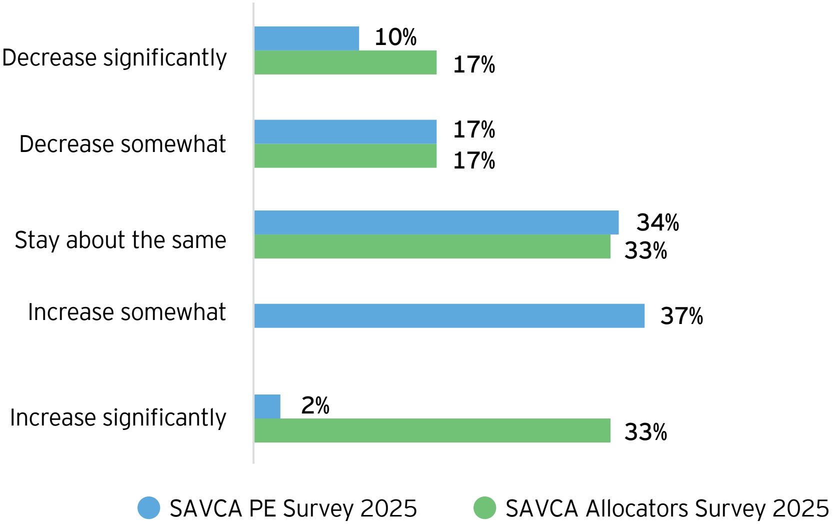
What is the expected asset growth of PE firms over the next three years?

Many PE firms in Southern Africa expect accelerated growth in their assets over the next three years, albeit less than last year (44% this year vs. 51% per last year's survey). However, allocators lean towards moderate growth of the PE industry.



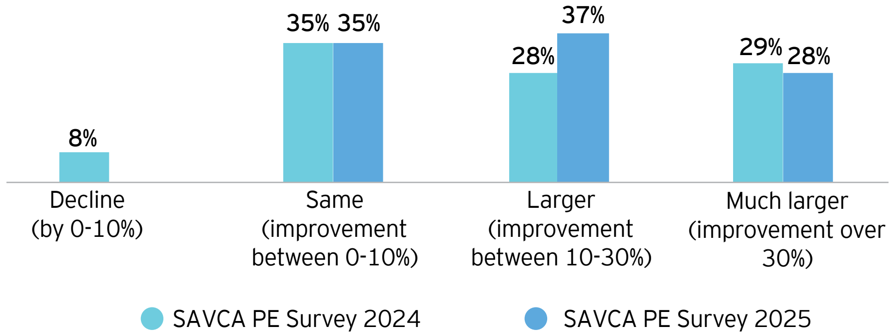
How do you think industry-wide fundraising will change in 2025 relative to now?

One-third or more of PE firms and allocators expect fundraising to improve in 2025, however allocators have a more positive outlook with 33% of them expecting a significant increase in fundraising in 2025.



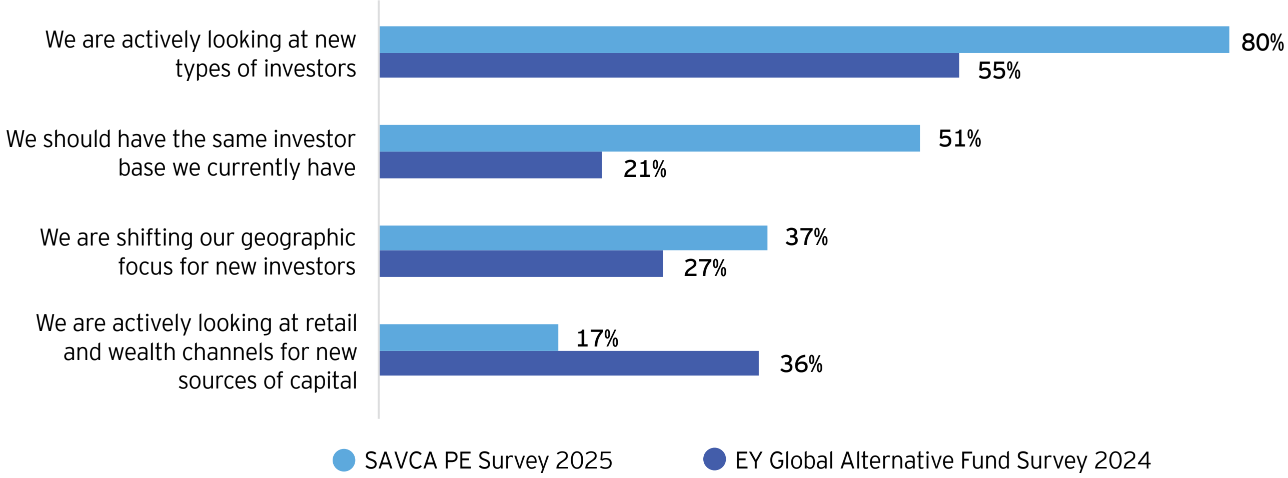
What do you expect your next fund to be in size in comparison to the last fund?

In the SAVCA PE Survey 2025, all PE firms expect improvement in their next fund size at varying degrees, an improvement compared to the previous year where 8% of participants anticipated a decline in their next fund's size.



From an investor profile perspective, over the next five years, how do you see your investor base evolving?*

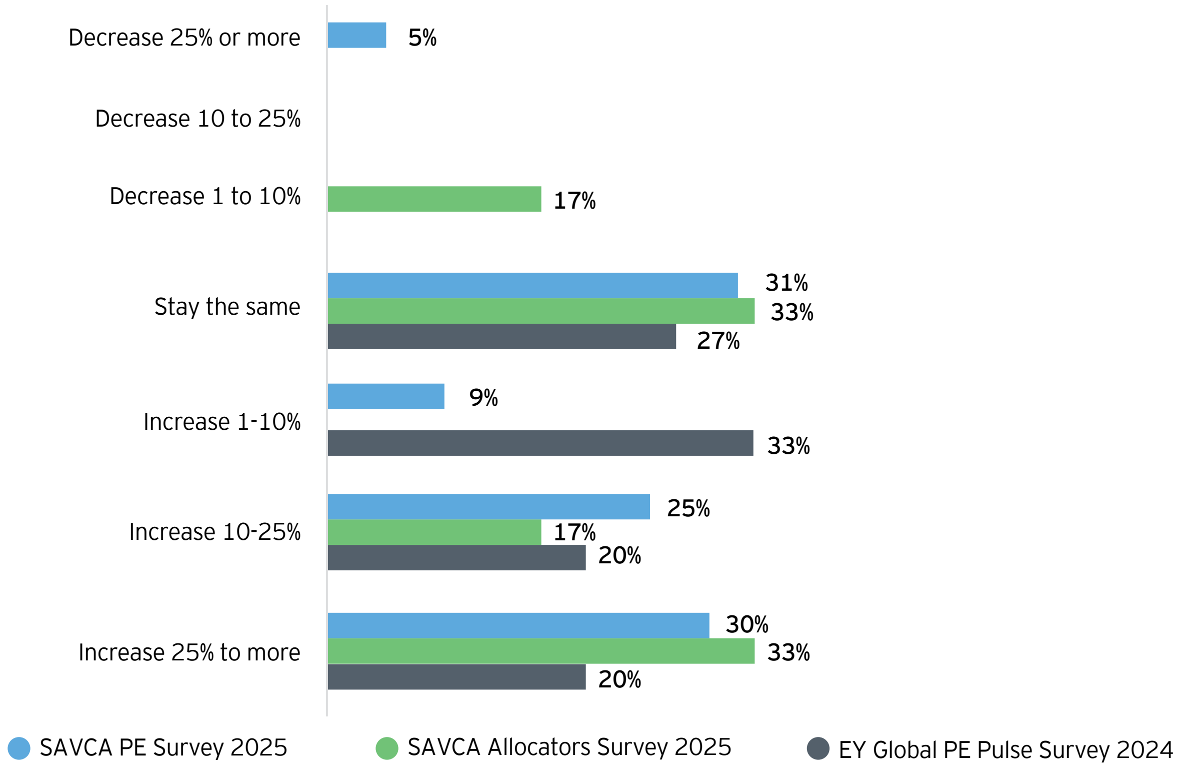
Both global and Southern African PE firms are looking for new types of investors. 36% of the global firms seek capital through retail and wealth investor channels, however Southern African firms have this as lowest (17%) on their priority.



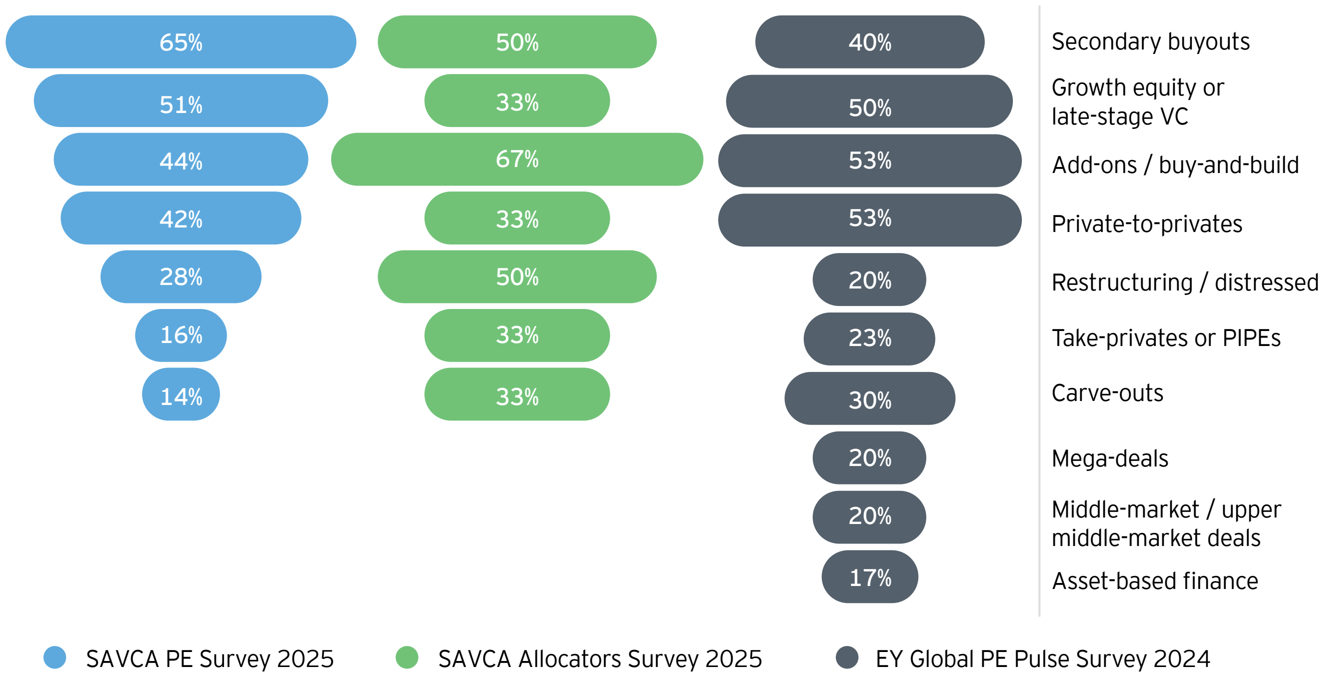
*Participants could choose multiple options in the survey.

How do you think PE firm's deployment activity will change in 2025?

Southern African PE firms and allocators are optimistic on investment activity in 2025 with 30% of local firms and 33% of allocators expecting an increase of over 25% (versus 20% of global firms), while a similar proportion expect deal flow to remain the same.



Are there particular types of deals where you expect an increase in market activity in 2025?*

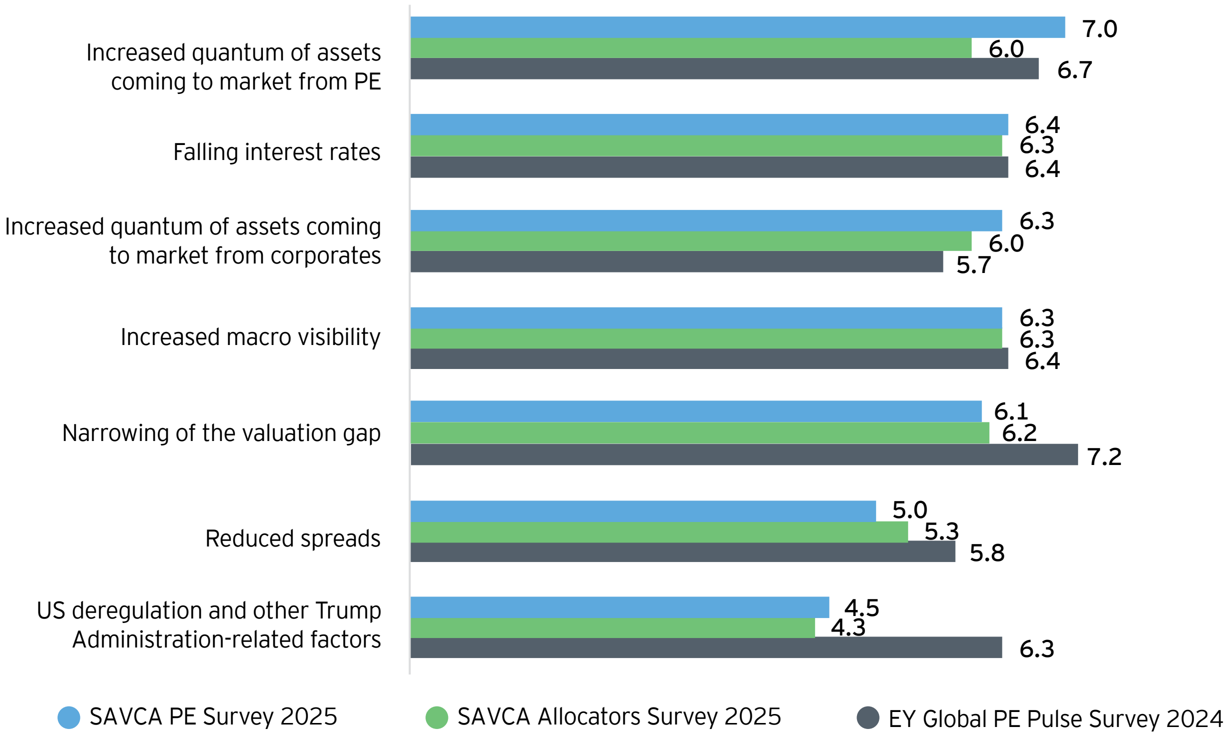


The survey results from Southern PE firms, global firms and allocators highlights the varying preferences and trends in PE investment strategies. A significant 65% of respondents in the SAVCA survey expect secondary buyouts to drive dealmaking in 2025, though consistent with the views of allocators (50% participants expecting this type of investment) and higher than 40% per the EY Global PE Survey, indicating a strong inclination towards this strategy in the Southern African market. PE firms continue to require boosting their exits to recycle capital to LPs and to show a track record for their next fundraising efforts, thus further bolstering the expectation of secondary transactions.

Growth equity or late-stage venture capital continues to be a popular choice, with 51% of Southern African PE firms (50% of global PE firms) expecting an increase in these types of investments, however only one-third of allocators expect an increase in such investments. The prevalence of companies the growth stage in the region could be attributed to the PE firms' propensity towards this deal strategy.

What factors do firms expect will most contribute to an increase in deal activity?*

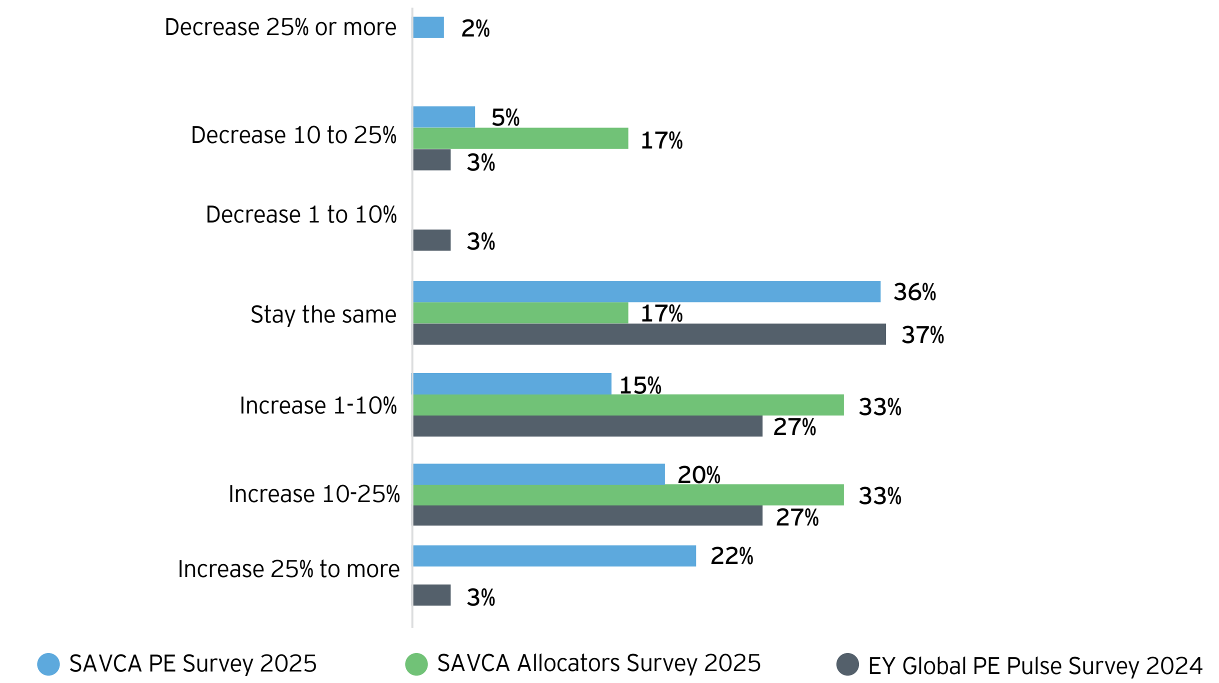
Availability of assets, as PE firms and corporates both are expected to bring assets to the market, is anticipated to be the biggest driver of deal activity.



*Participants could choose multiple options in the survey. The numbers represent the average rating as per the response received for each option. Survey respondents rated on a scale of 1-10, where 1 represents 'won't contribute at all to the increase' and 10 represents 'high contribution towards increased deal activity'.

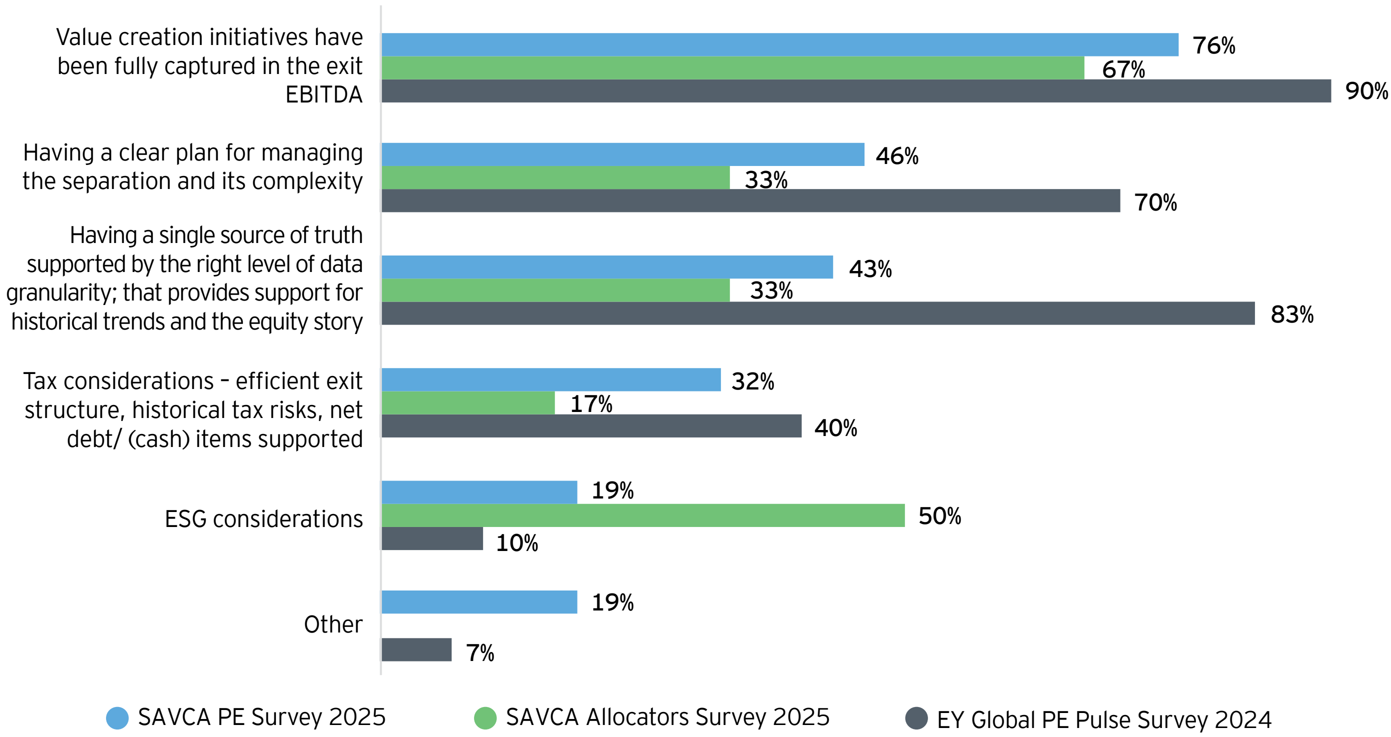
How do you think your firm's exit activity will change in 2025?

Following the global trend, majority of PE firms and allocators anticipate exits to improve at varying levels in 2025. We highlight that 22% of Southern African PE firms expect an increase of 25% or more in their firm's exit activity.



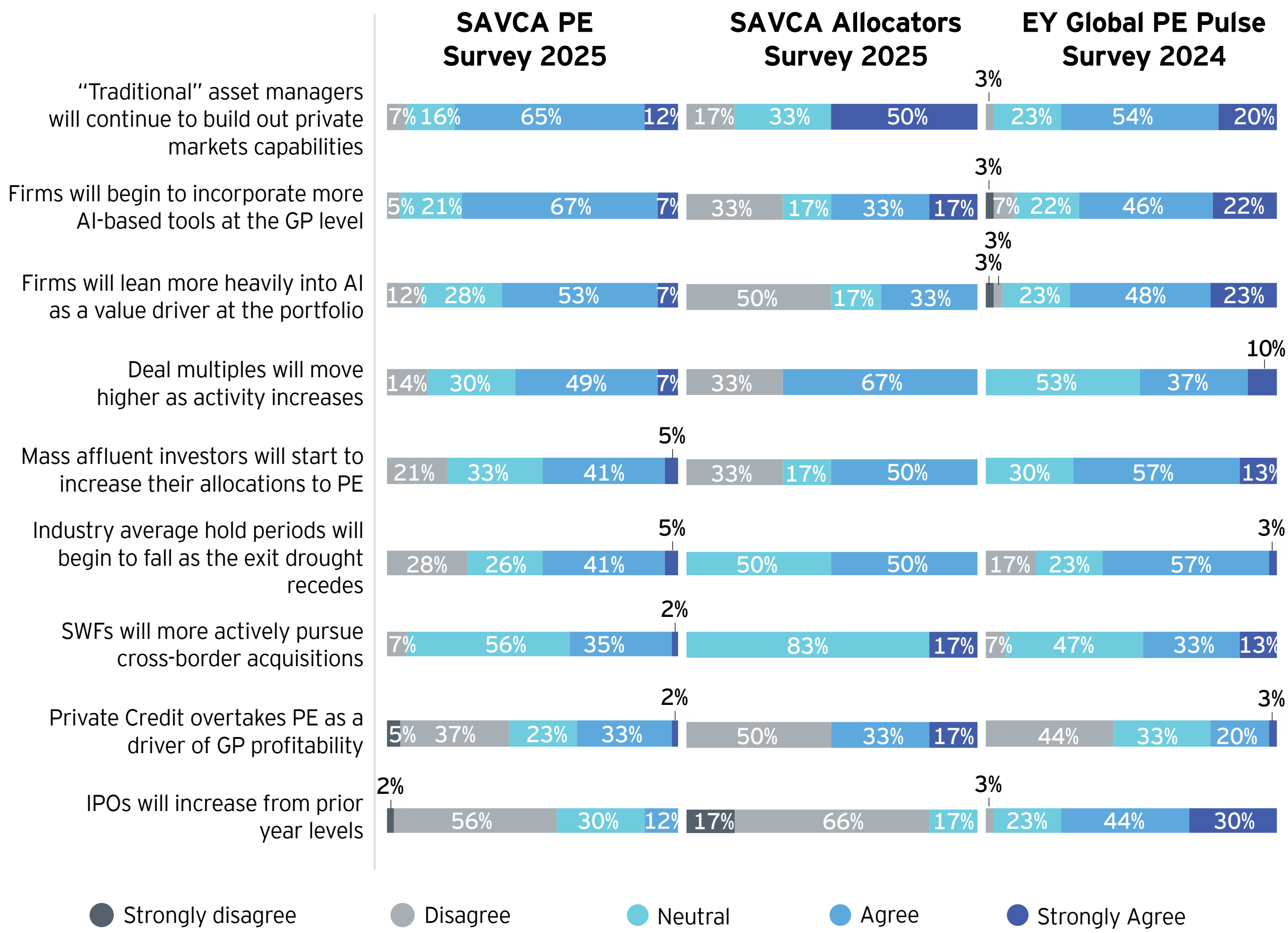
Which areas do PE firms find most challenging in preparing portfolio companies for exit?*

Capturing value creation initiatives in the portfolio company's financials appears as a common challenge amongst PE firms in the region and across the globe, as well as allocators. ESG considerations is seen as more challenging by Southern African allocators.



*Participants could choose multiple options in the survey.

In what ways do you think PE could be different in 2025?



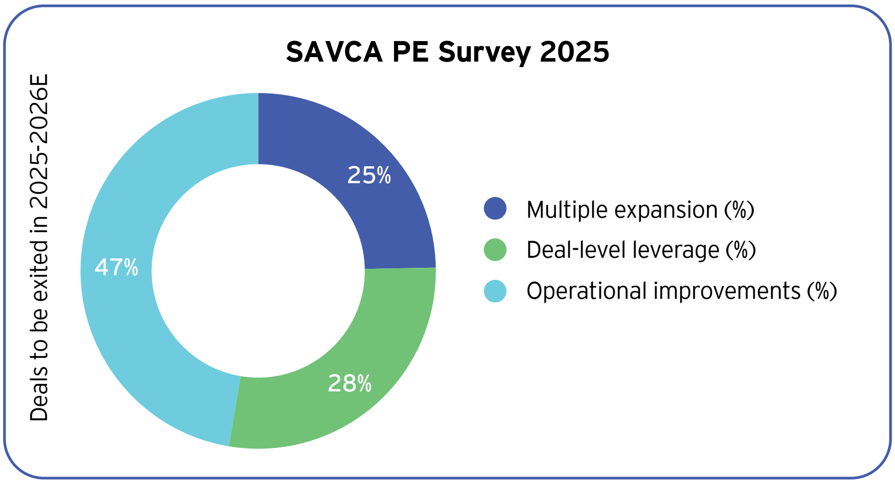
*Participants could choose multiple options in the survey.

Southern African PE firms and allocators expect traditional asset managers to continue to grow their private market capabilities, which coincides with the global sentiments. As AI integration has improved rapidly, in line with expectations, both global and Southern African PE firms expect an increase in reliance on AI, both at the portfolio and firm level. Southern African allocators see Private Credit driving GP profitability much more strongly than Southern African and global PE firms do (17% vs. 2% and 3% respectively).

Though global players expect IPOs to increase in 2025 in comparison to 2024 with 74% of global PE firms anticipating an improvement, Southern African PE firms and allocators are of a contrary view with only 12% of the Southern African PE firms and none of the allocators expecting an improved IPO environment. Given the lack of IPOs as an exit route for Southern African PE firms over the last 7+ years, this differing view is not surprising and points to Southern African PE firms (and allocators) continuing to not view IPOs as a likely exit route.

What's your expectation of the relative contribution of return levers for the investments that will be exited in 2025 and 2026?

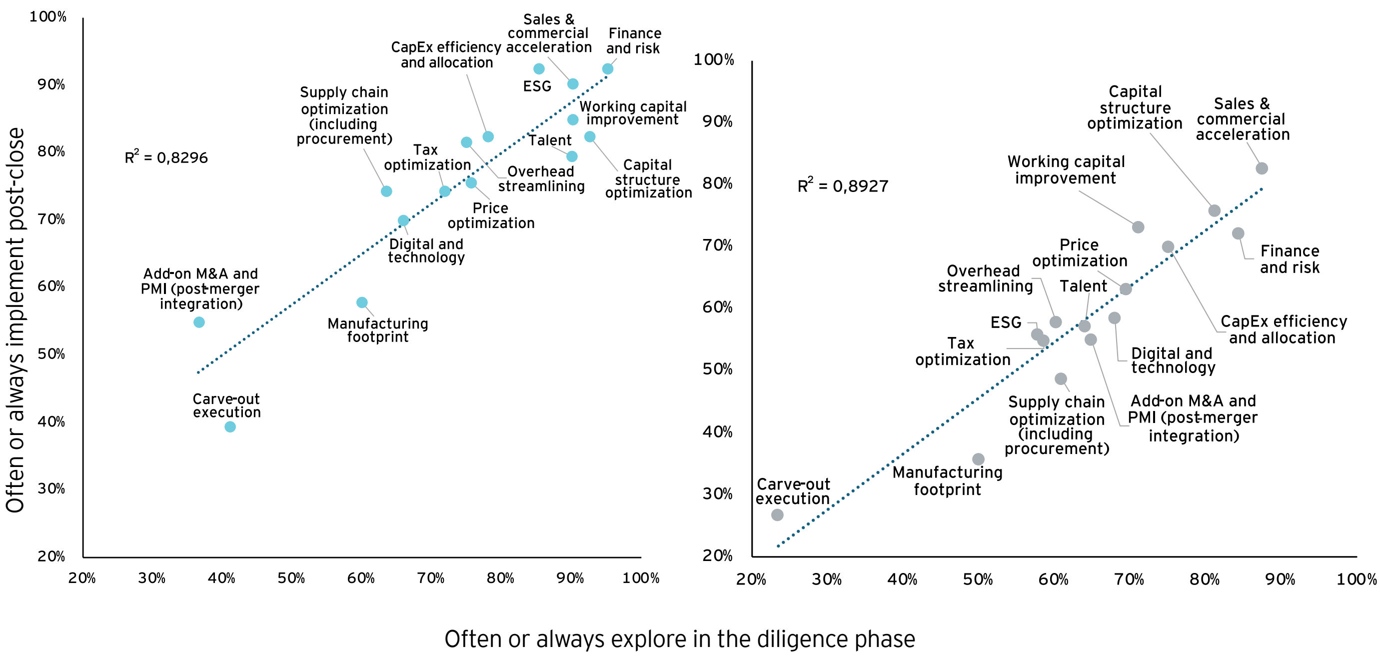
Following the global trend, Southern African PE firms have increased their focus on operational improvement as they expect 47% of the expected returns for 2025 and 2026 exits to arise from operational improvements.



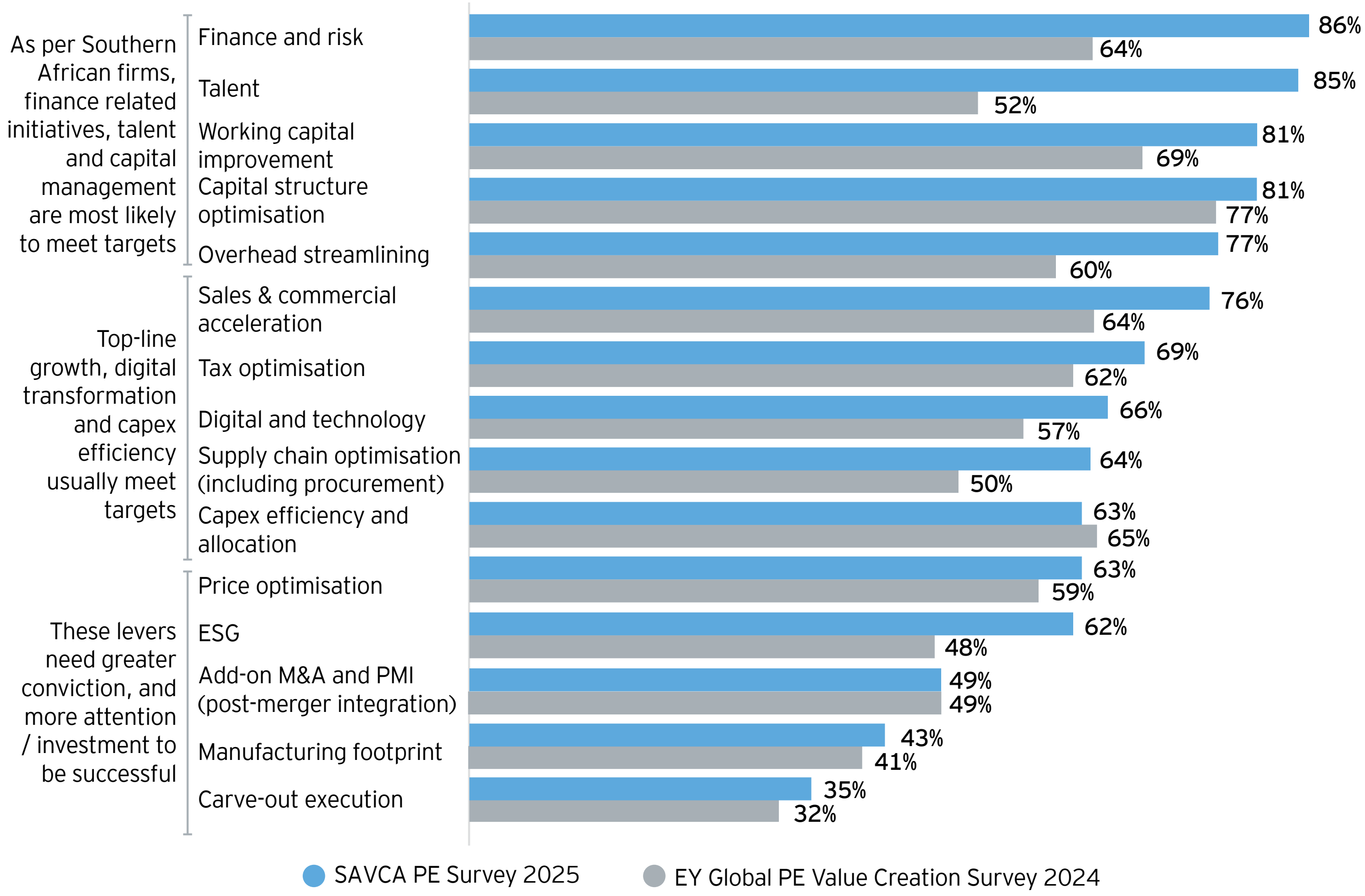
How often do firms explore (during due diligence process) vs. implement value creation (post-close value creation plan) in the following areas?

Both Southern African and global PE firms strongly align on most value creation areas; however, Southern African firms place more emphasis on ESG and Talent than global PE firms.

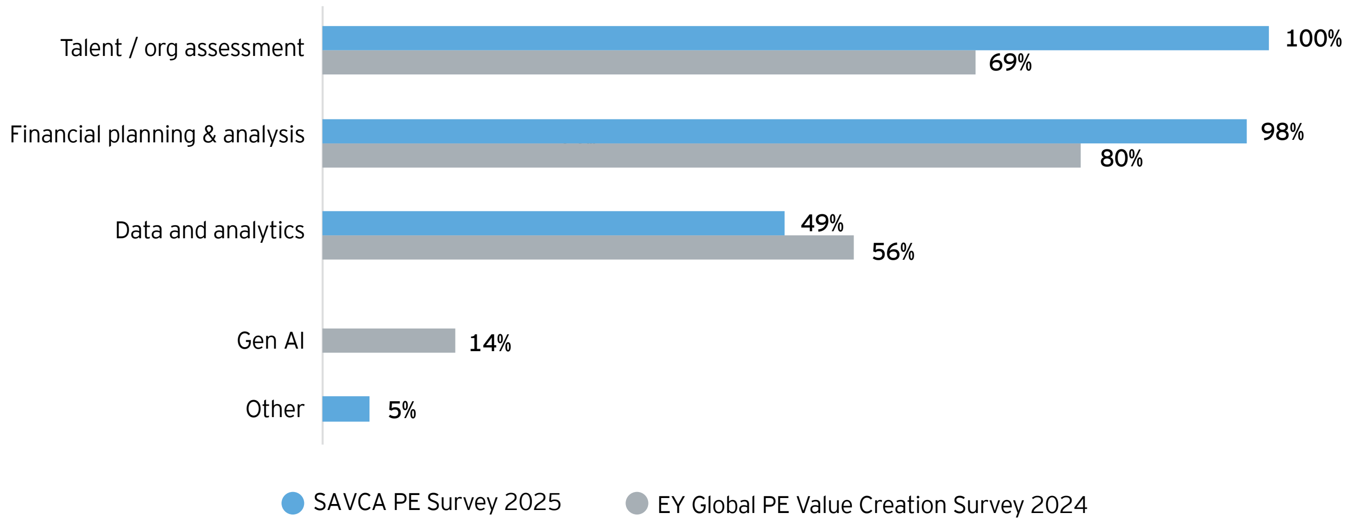
SAVCA PE Survey 2025 **EY Global PE Value Creation Survey 2024**



How often does each value creation focus area, at a minimum, achieve its target ROI? (often or always)



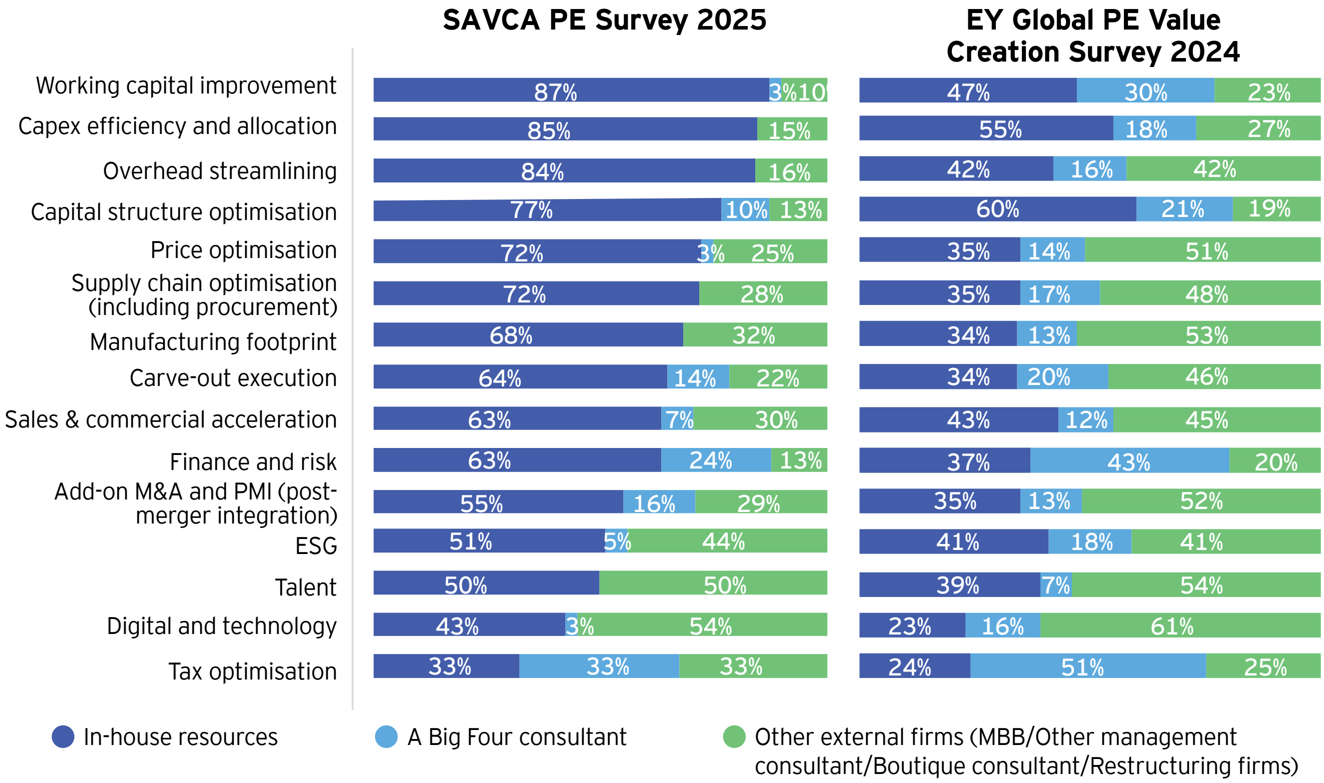
Other areas of post-close focus*



*Participants could choose multiple options in the survey; Other includes ESG, succession planning, tangible exit routes and potential acquirers.

Which value creation expertise resources do you most commonly use for each of the following areas? (In-house resources vs. Big 4 vs. Other external firms)

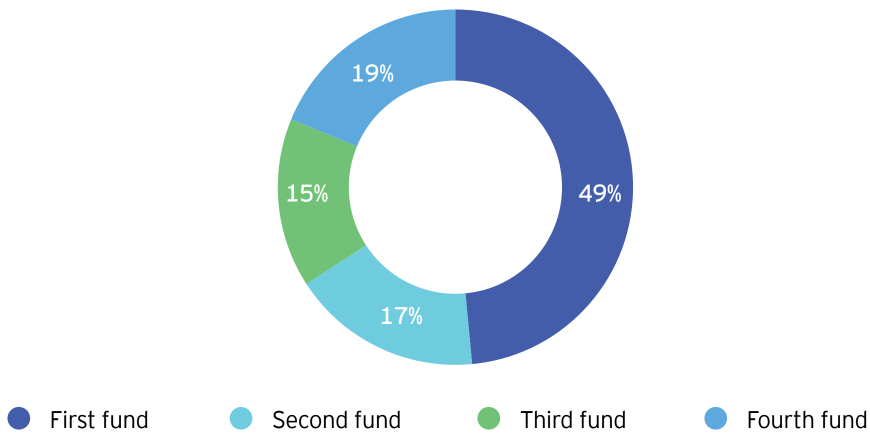
Southern African PE firms house most of the value creation expertise within their own team, but outsource competencies requiring specialised skills such as talent, digital and technology, ESG and tax.



Allocators' perspectives

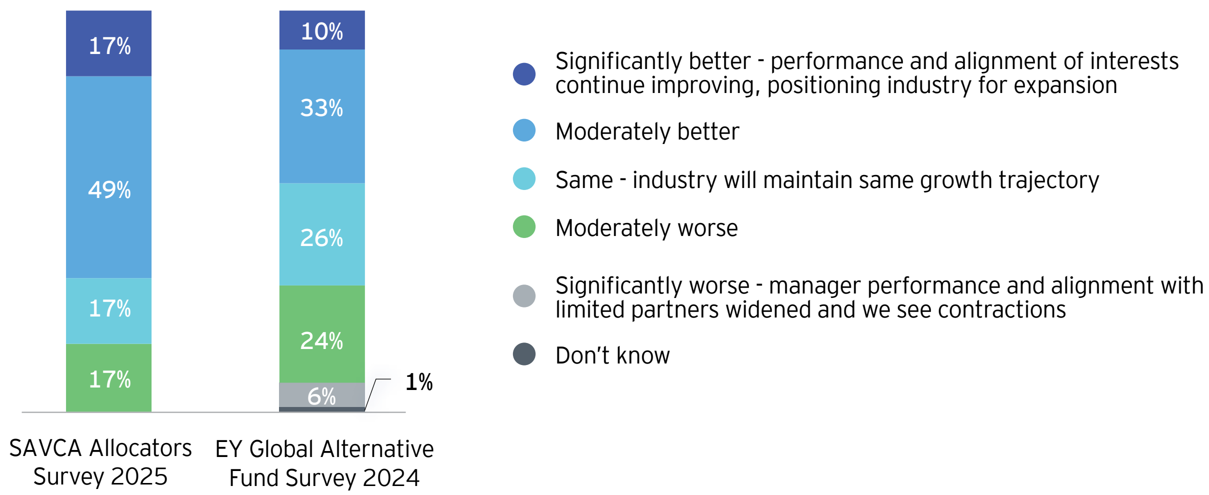
Please provide your estimated % allocation between fund generation of the GPs

Almost half of the investment allocation by Southern African allocators is in first generation funds.



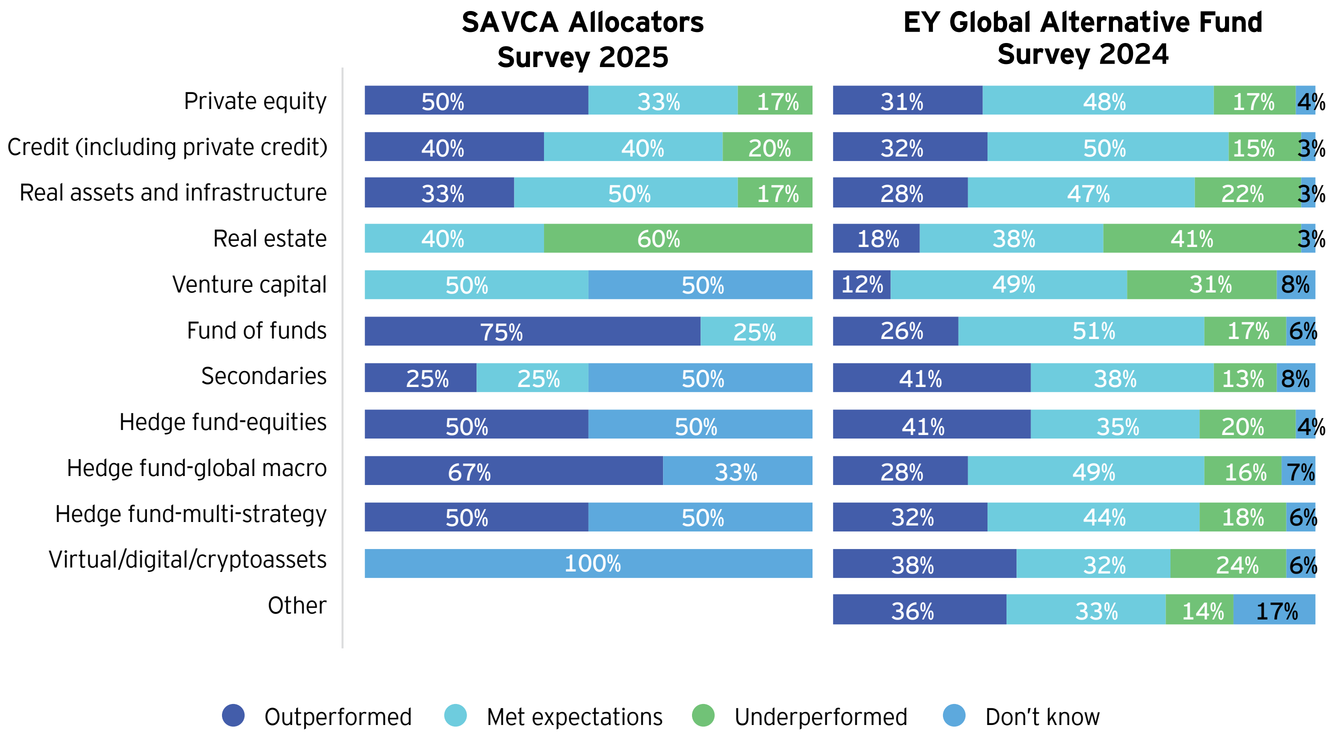
How would you describe the current state of the alternative assets industry compared with one year ago?

Most allocators – Southern African and global* - remain optimistic towards performance of the alternative assets industry, with Southern African allocators having a more positive outlook than the global view.



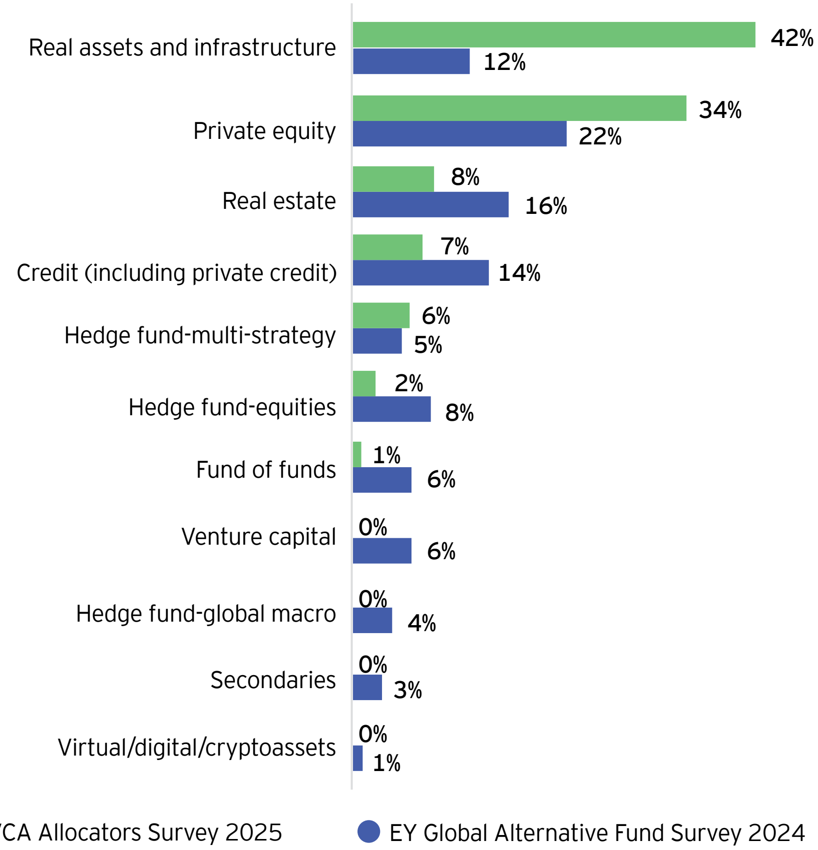
*Global allocators in the report comprises of both alternative fund managers and institutional investors unless mentioned otherwise.

How did each of the following asset classes in your firm's portfolio perform (i.e., rate of return) relative to your expectations?



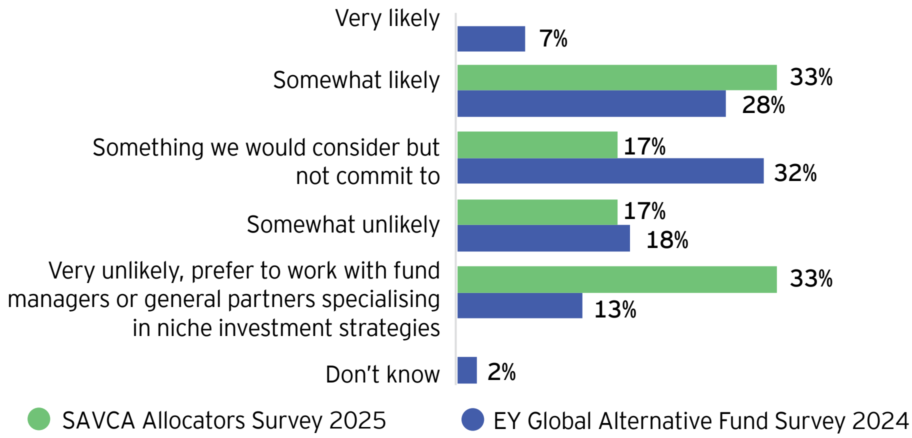
Approximately what proportion of your AUM allocated to alternatives is allocated to each of the following asset classes?

Though PE is the most favoured strategy for capital allocation by global allocators, Southern African allocators have preferred real assets and infrastructure over PE, which turns out be the second most chosen alternative assets strategy in the region.



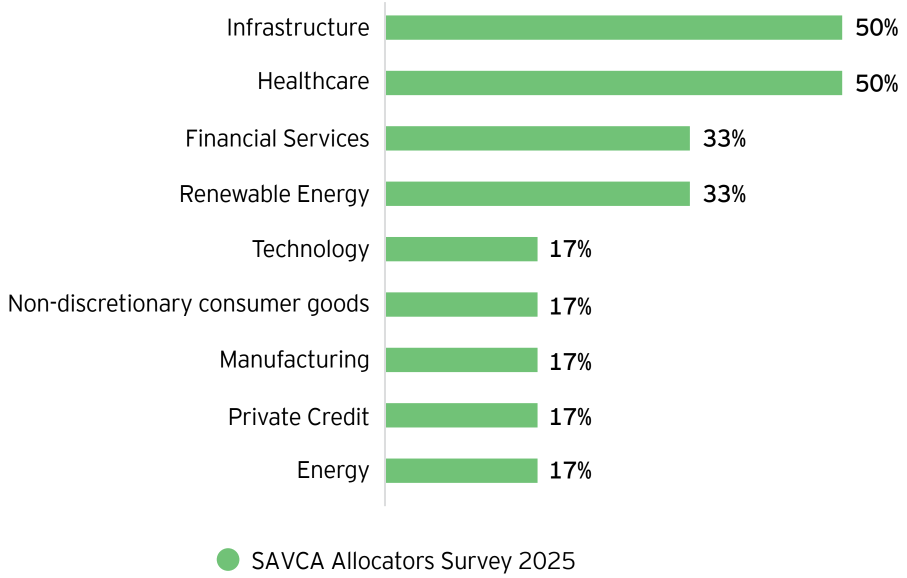
How likely are you to invest into new structures or asset classes outside of the original expertise of your current alternative fund managers or general partners that are diversifying their investment strategies?

Southern African and global allocators both are divided in their view of experimenting with new asset classes. 50% of Southern African allocators and 67% of global allocators lean towards exploring new strategies.



If you are interested in seeing PE firms / general partners focusing on particular sectors / investment strategies, what are the top 3 sectors / investment strategies you would like to see PE firms investing in? *

Southern African allocators are most interested in investment strategies involving infrastructure and healthcare.

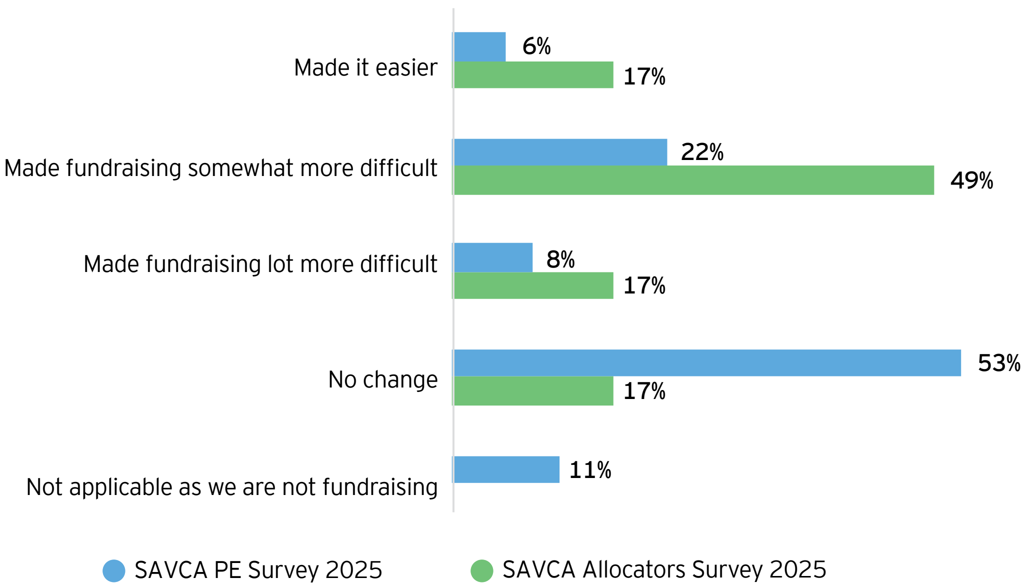


*Participants could choose multiple options in the survey.

Response to regulation updates (Reg. 28)

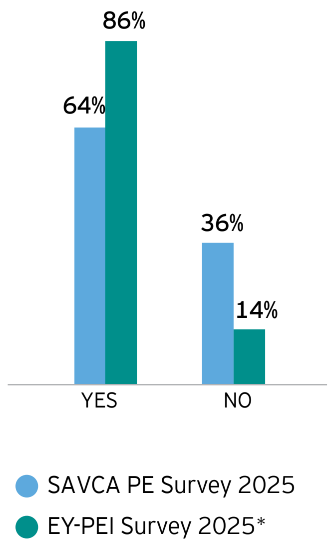
After implementation of the changes to Reg. 28, how has the increased ability for LP investors to invest offshore impacted PE fundraising?

Though the majority of the allocators expect implementation of Reg. 28 to have made PE fundraising difficult, most PE firms in the region do not view this change as making fundraising more difficult.

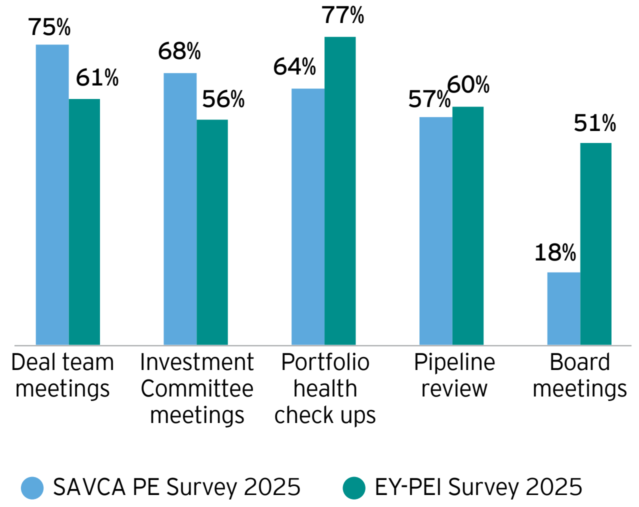


02 ESG and Impact Investing

ESG



Does your firm have full-time employees dedicated to ESG?



If yes, which of the following parts of the private equity lifecycle do those ESG employees participate in?**

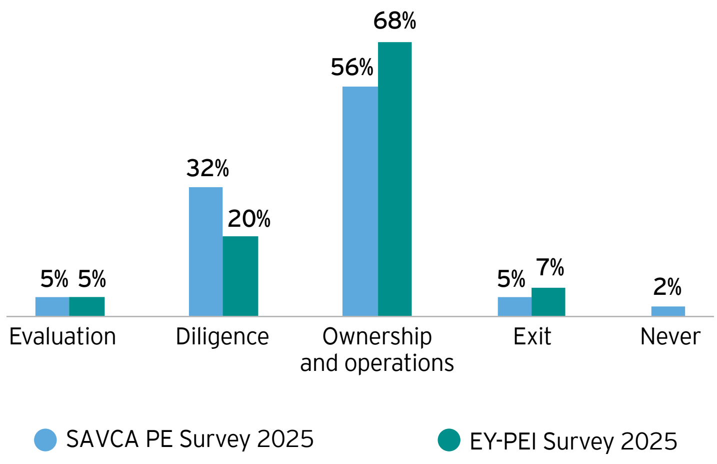
*Refers to an EY survey at the Private Equity International (PEI) Responsible Investment Forum series.
**Participants could choose multiple options in the survey.

Compared to global counterparts, Southern African firms lack in employing full-time resources focusing on ESG. 64% of the firms based in Southern Africa have ESG dedicated employees compared to 86% of global firms.

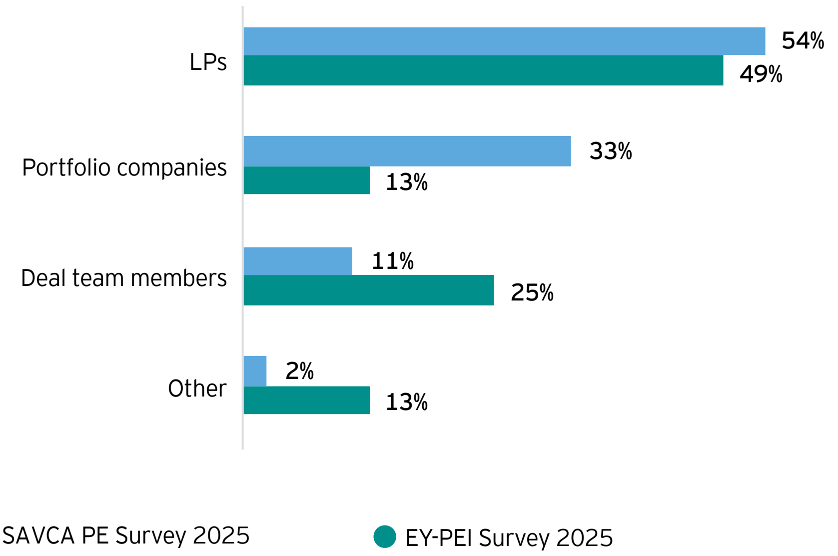
This is however likely to be due to Southern African firms being smaller than their global counterparts. Southern African firms need to improve their focus on enabling ESG focused employees to participate in Board meetings to make their ESG focus comprehensive across the PE lifecycle.

At what step of the investment process do you see the most value from ESG?

PE firms believe they derive the greatest value from ESG policies during the ownership and operations stage, with 56% of Southern African firms and 68% of global firms selecting this stage as the most impactful.



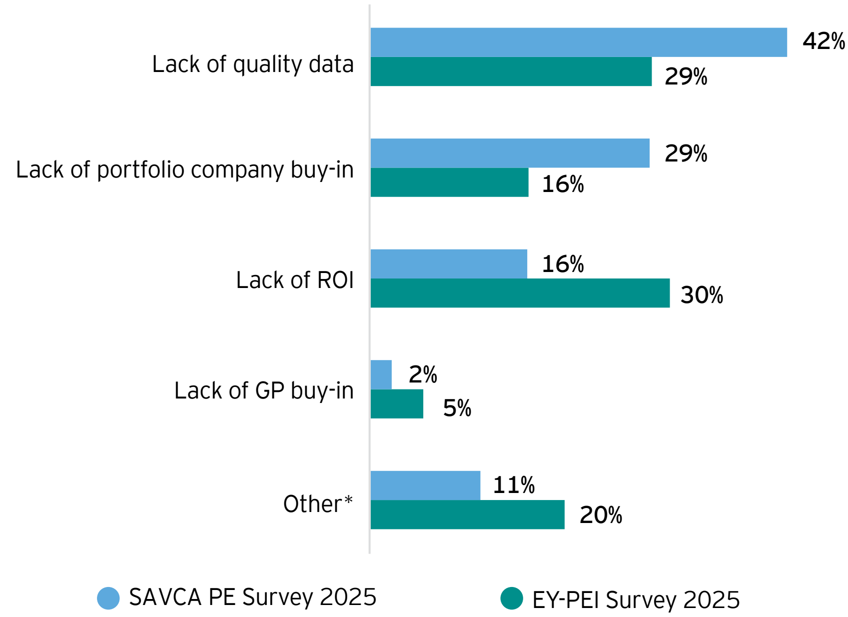
Support/pressure from which stakeholder group is most important when seeking to build buy-in on ESG within your firm?



Other* includes the Board of directors and portfolio company customers.

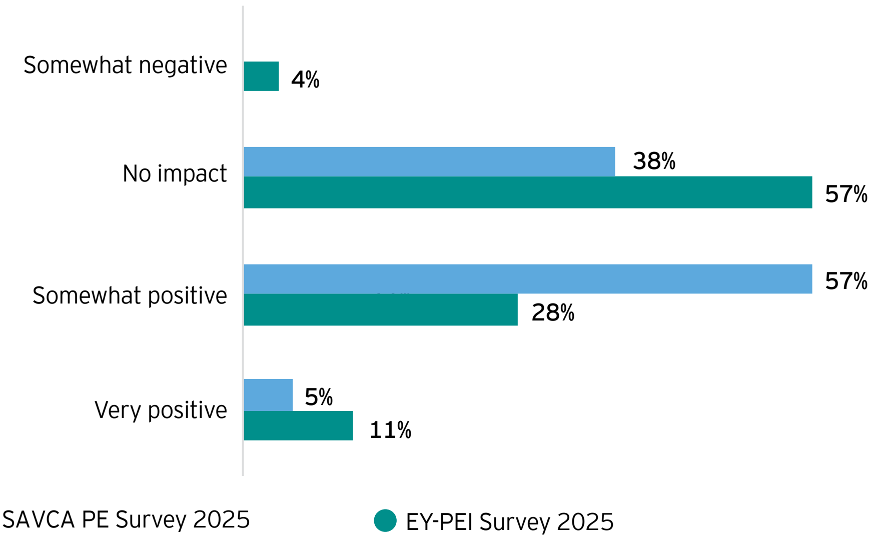
What remains the biggest challenge to ESG progress at portfolio companies?

Lack of availability of quality data emerged as the biggest deterrent to ESG progress amongst Southern African firms as 42% of the firms considered this as the biggest challenge, whereas Global PE firms struggled with the lack of ROI along with data quality issues.



Other* includes finances, lack of designated ESG resources, unbudgeted cost, and lack of management capacity to deal with ESG.

From a scale of 1-5, rate how your ESG strategy has impacted the financial results related to exits?

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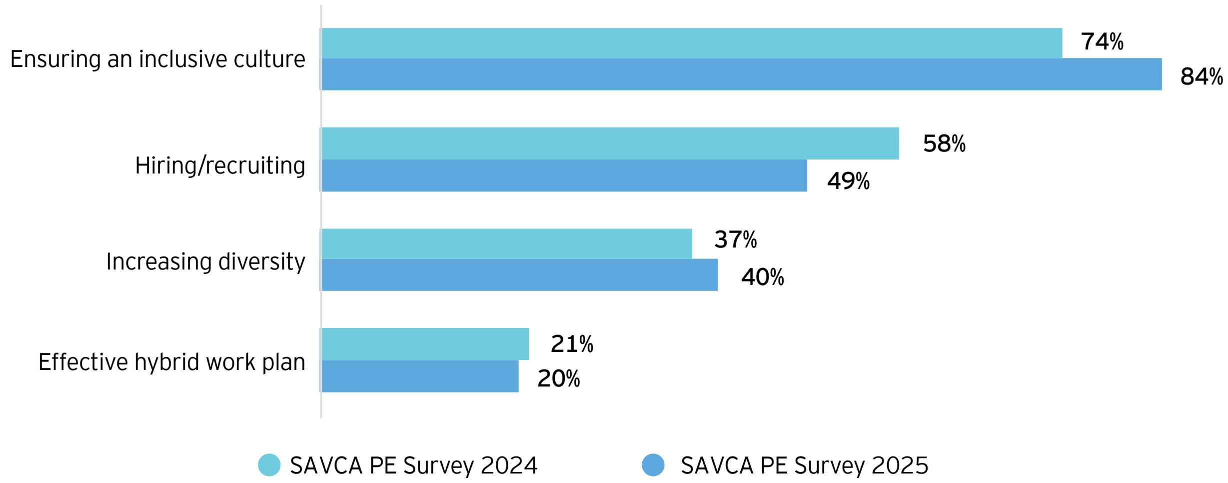
03 How Are PE Firms Driving Transformation?

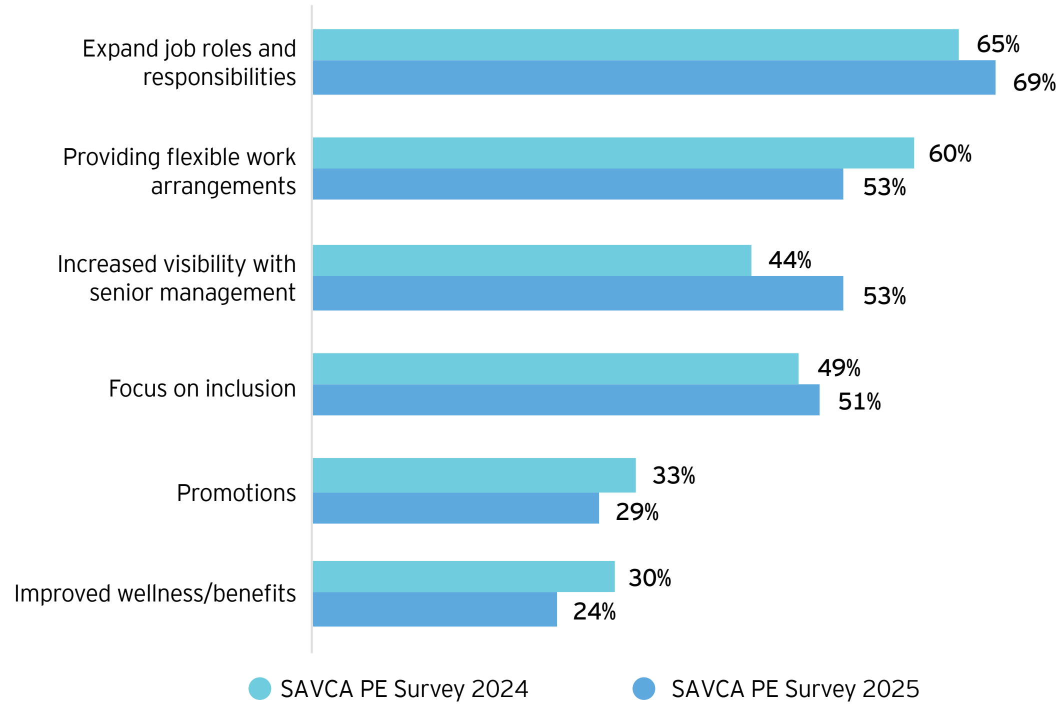
Talent

Other than retaining talent, what are your top talent management priorities?*



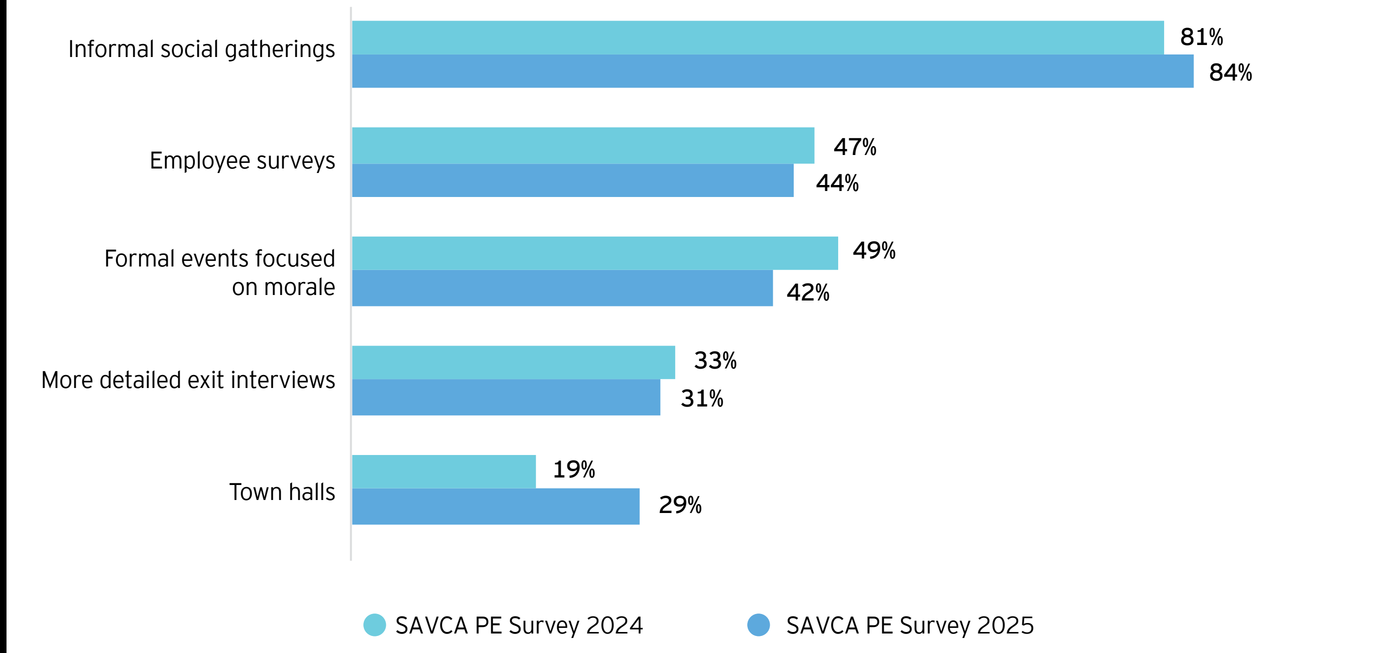
Other than compensation, how is your PE firm retaining employees?*

The expansion of job roles and responsibilities further strengthened its position as the leading employee retention strategy among Southern African PE firms.



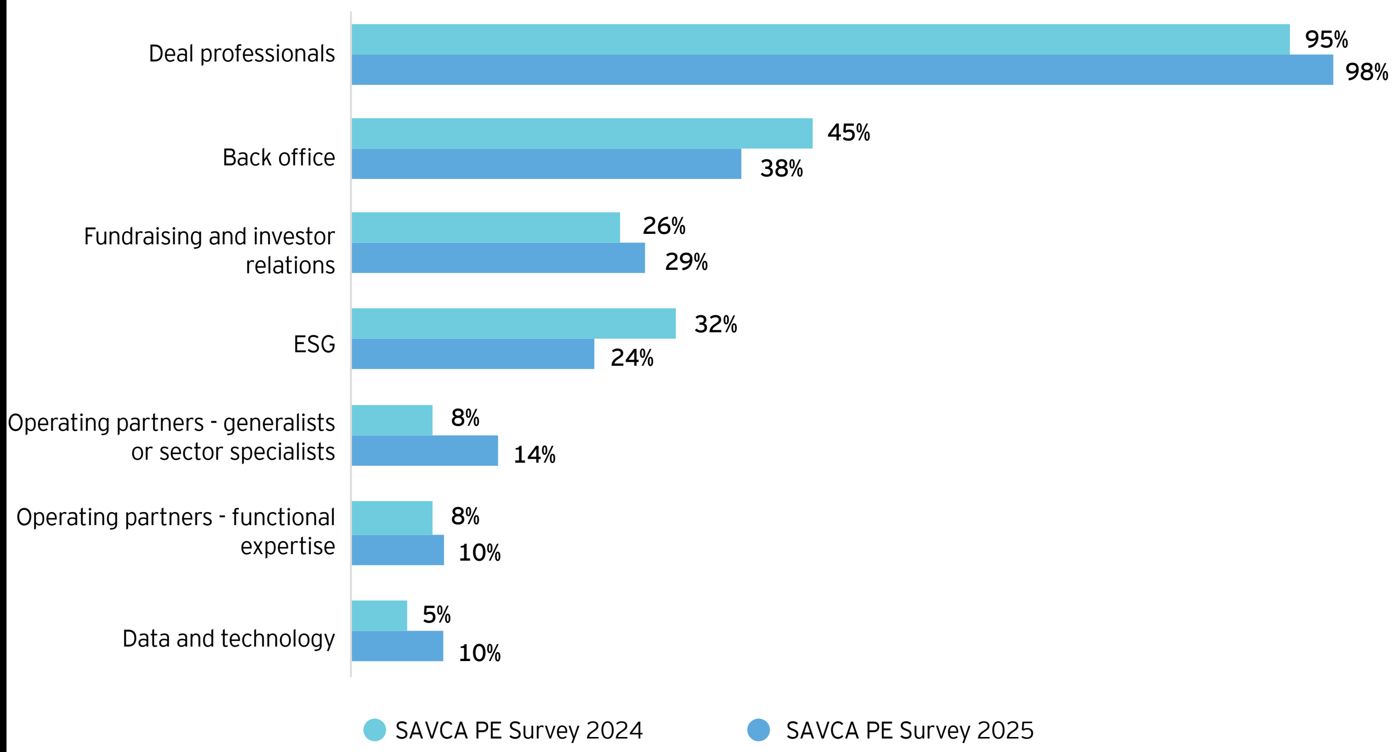
*Participants could choose multiple options in the survey

What strategies have you implemented to better understand employee sentiment?*



*Participants could choose multiple options in the survey.

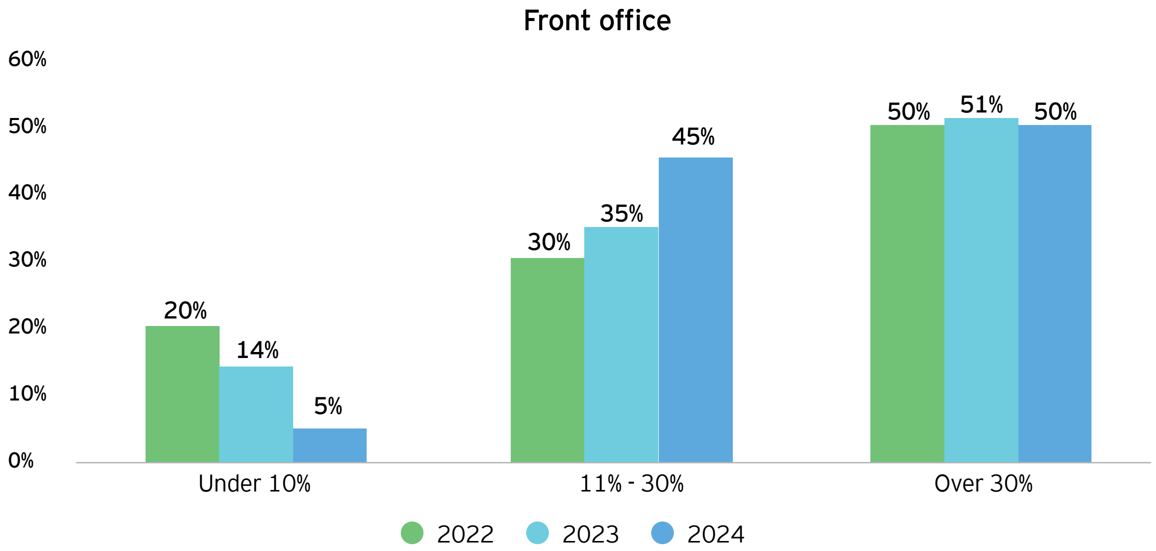
In what areas is your firm increasing hiring?*

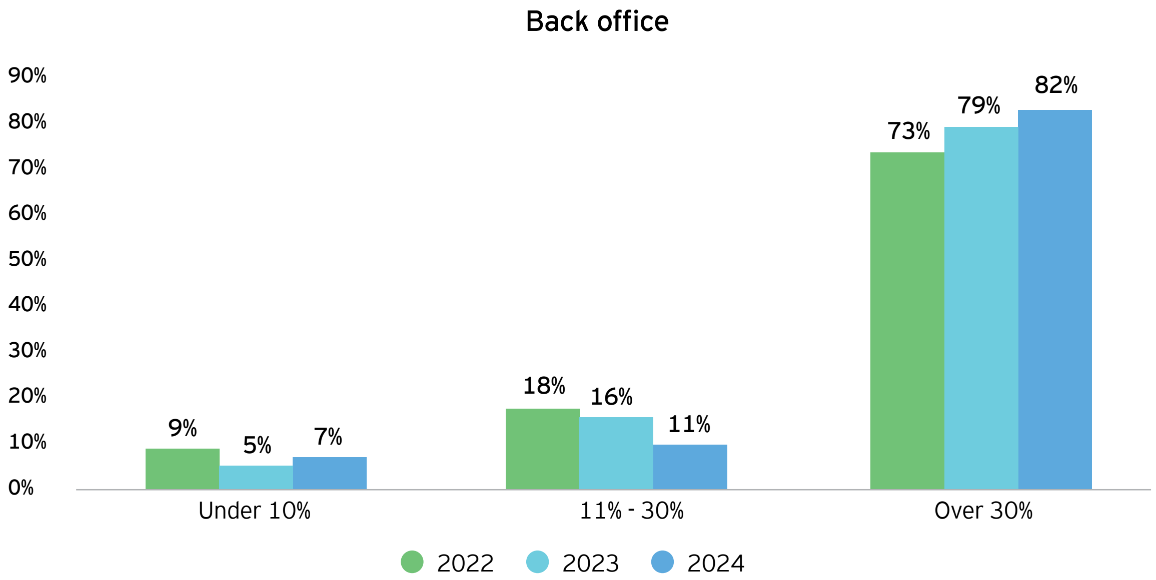


*Participants could choose multiple options in the survey.

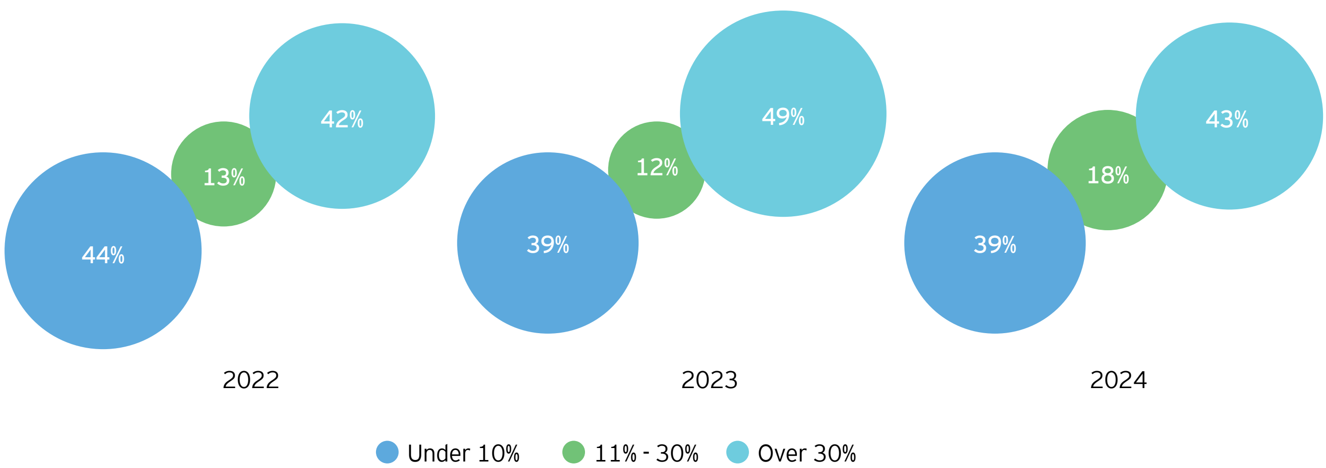
Women representation

What proportion of the members of your firm are women?

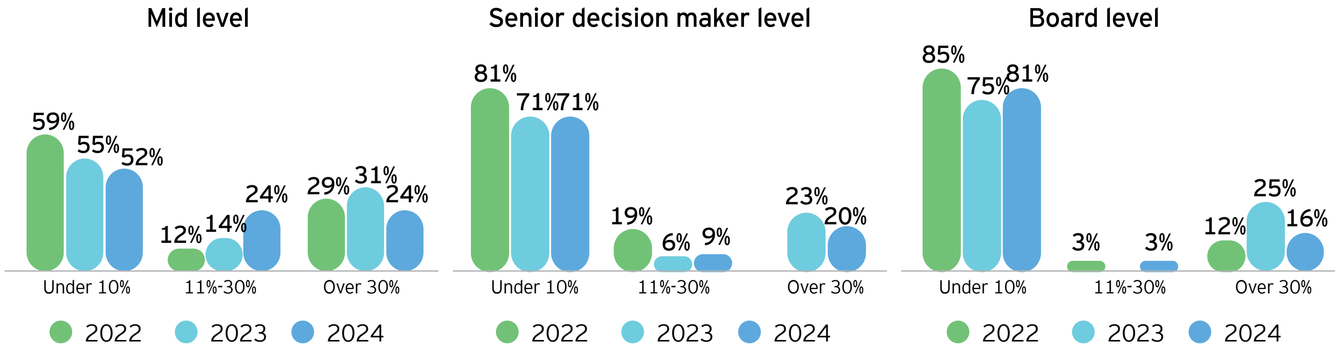




What proportion of the board members of your firm are women?



In the last year, what proportion of the total promotions at your firm were women?



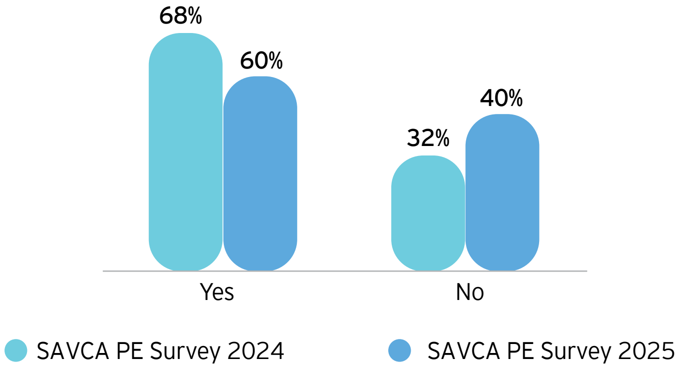
The women representation at a Board level in Southern African firms remained strong in 2024, with 43% of firms having their board consist of over 30% representation from women – albeit down from 49% in 2023.

After witnessing strong growth in the proportion of women promotions across the levels in 2023, the share of promotions where women were over 30% of promotions decreased in 2024 across all levels. This highlights the requirement of further efforts to increase the promotion of and thus participation of women in the industry.

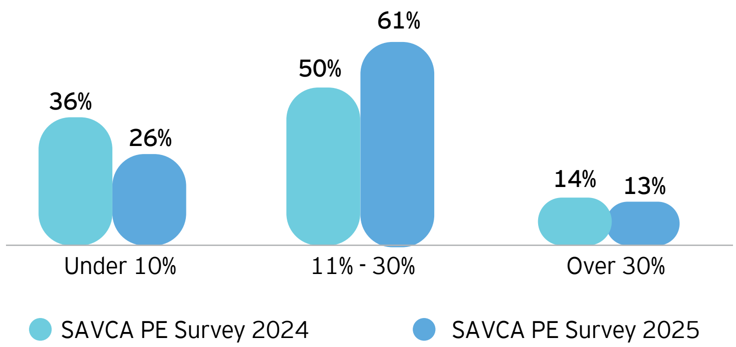
Diversity at portfolio companies

Does the firm agree transformation (DEI) plans with investee companies with specific targets over the investment holding period?

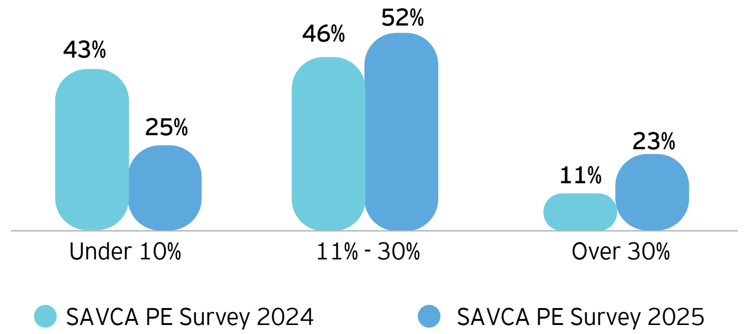
At a portfolio level, Southern African PE firms showcased growth in female representation at both an executive management and board level.



What proportion of the board members in portfolio companies are women?

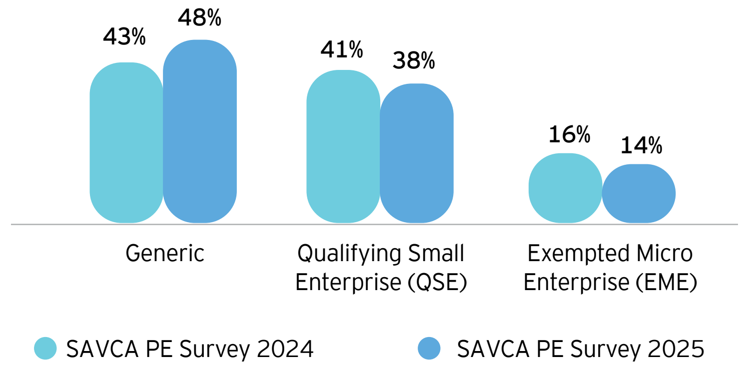


What proportion of executive management (senior decision makers) in your portfolio companies are women?

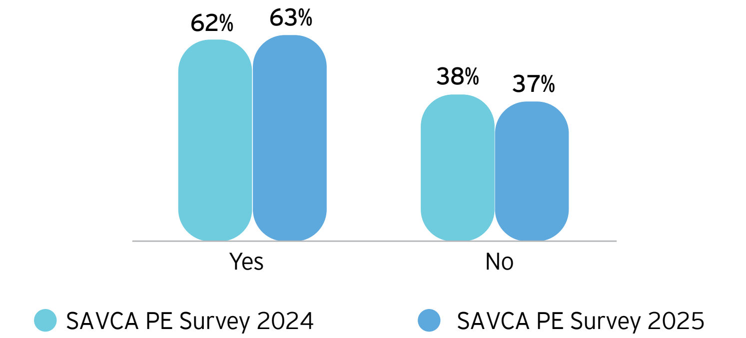


B-BBEE

Classification: Is the fund manager classified as a Qualifying Small Enterprise (QSE), Generic, or an Exempted Micro Enterprise (EME) according to the B-BBEE codes?

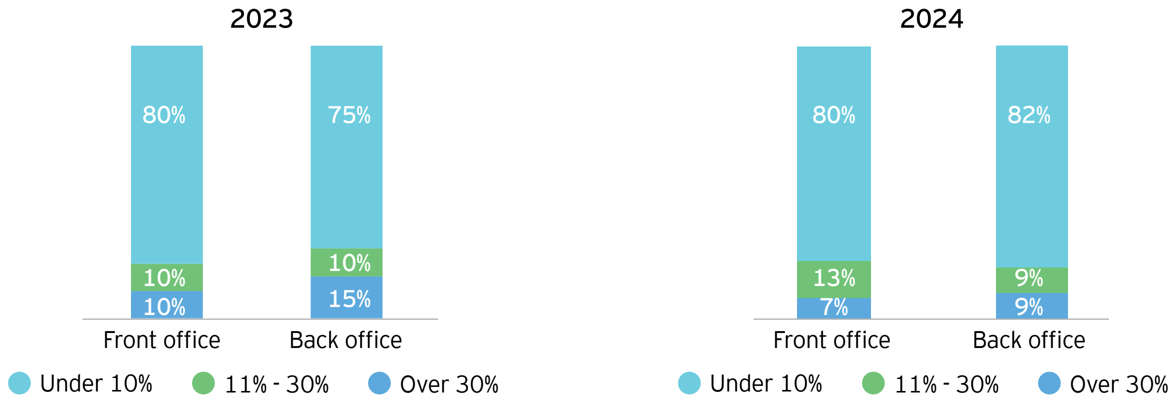


Is the fund manager accredited as a Black PE Fund Manager (according to the B-BBEE codes)?

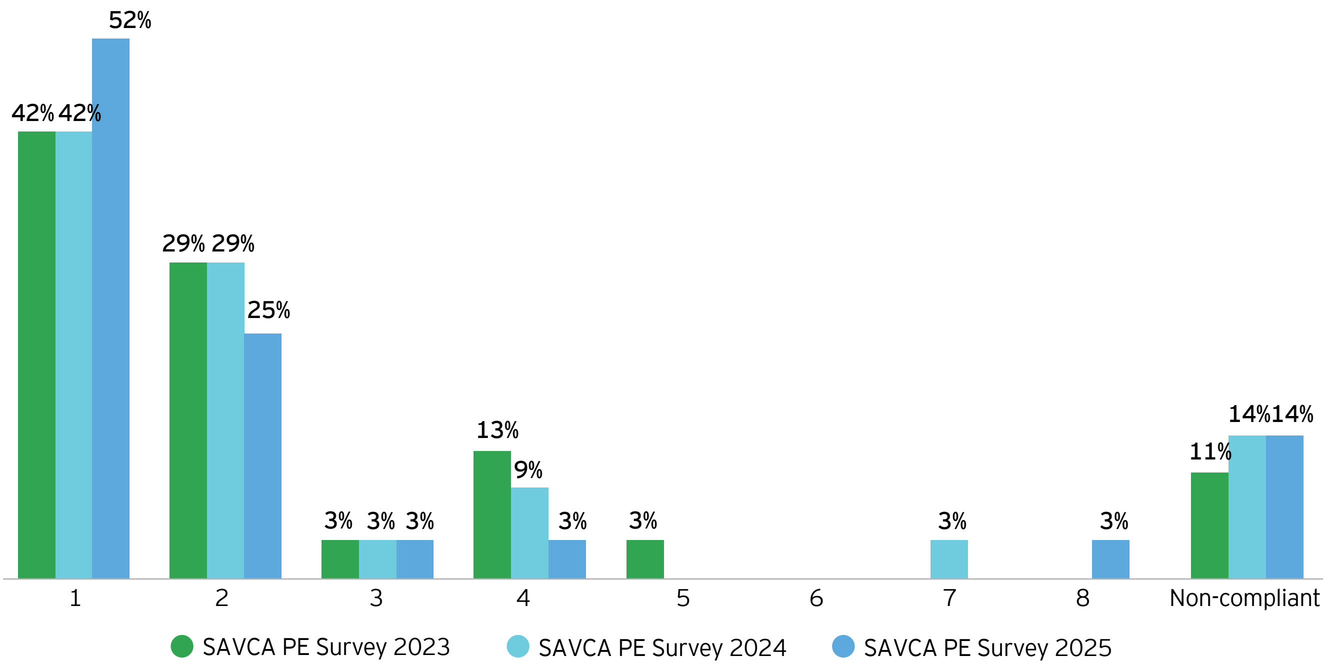


What proportion of the members of your firm are under-represented people with racially and ethnically diverse backgrounds?

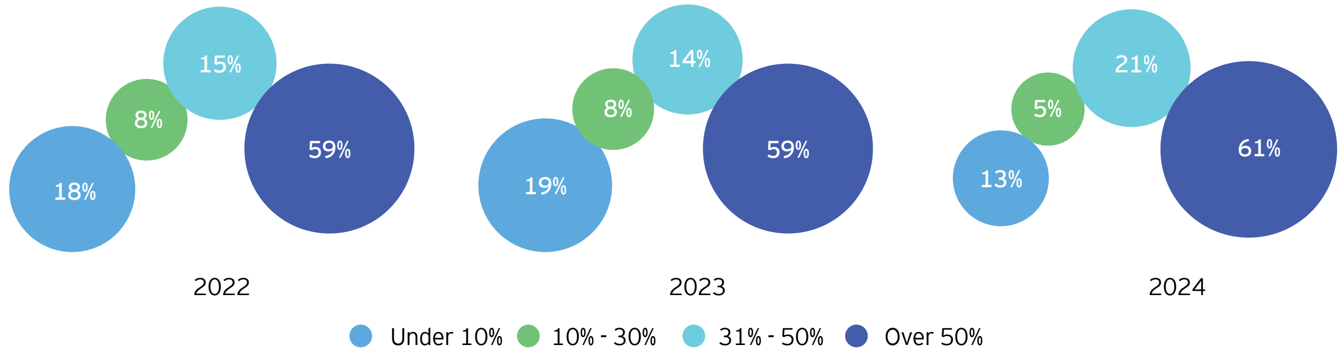
Southern African PE firms have continued to support a racially and ethnically diverse workforce. In 2024, the firms with over 30% of front office members from with racially and ethnically diverse background remained at 80%, however in the back office, this ratio increased from 75% in 2023 to 82% in 2024.



What B-BBEE status does the fund manager qualify for using the Generic Scorecard and/or Qualifying Small Enterprise Scorecard?

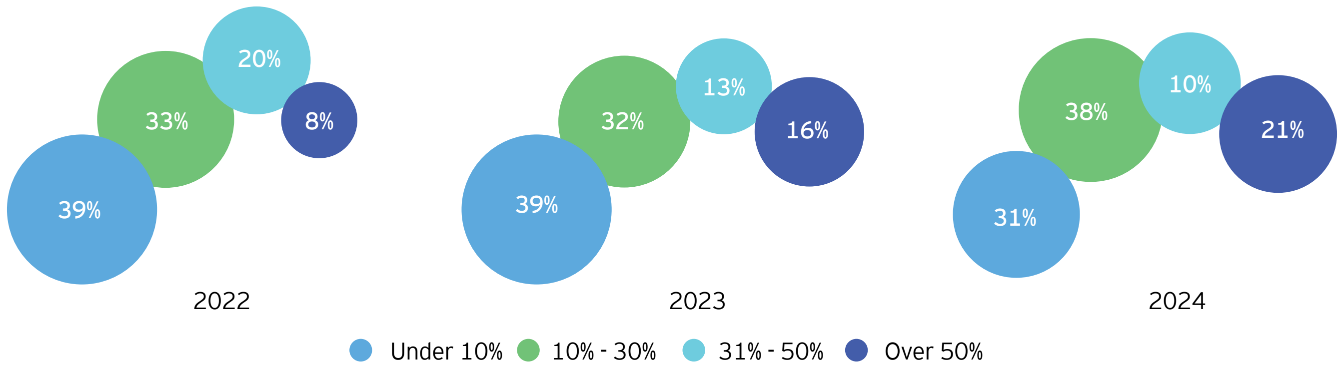


What percentage (%) of the ownership is classified as "black ownership", without applying modified flow through?

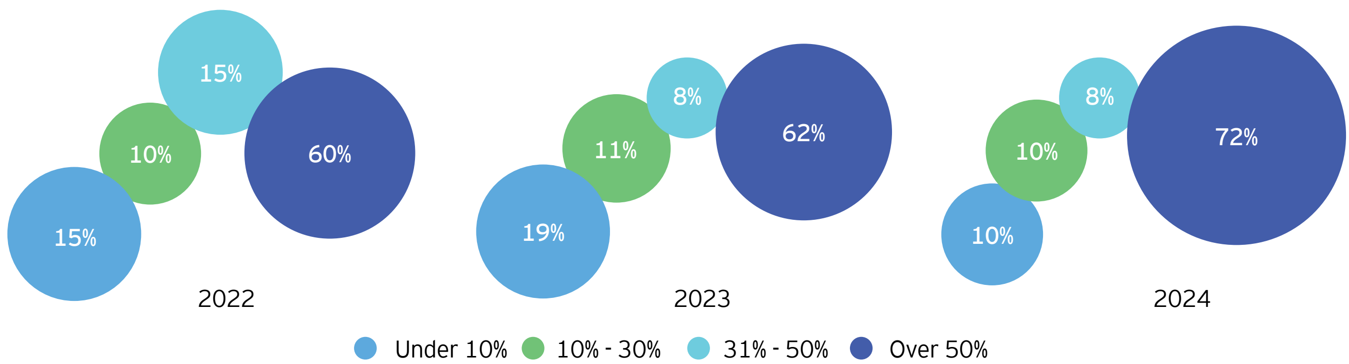


What percentage (%) of the ownership is classified as "black female ownership", without applying modified flow through.

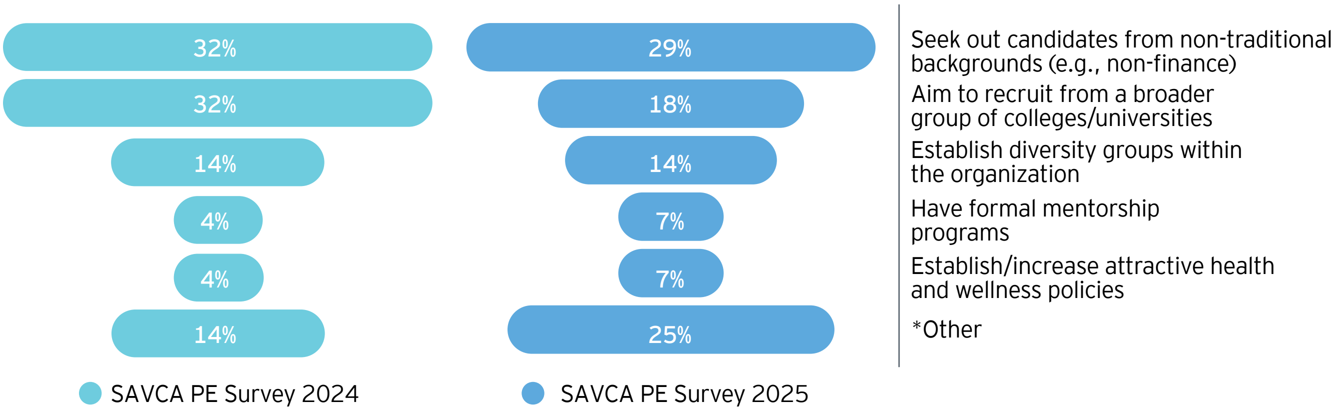
Black female ownership has continued to grow with 21% of the firms reporting over 50% of ownership classified as "black female ownership".



What percentage (%) of the PE firm's management is classified as "black management"? This includes junior through to senior management, as defined in the FSC/B-BBEE codes.

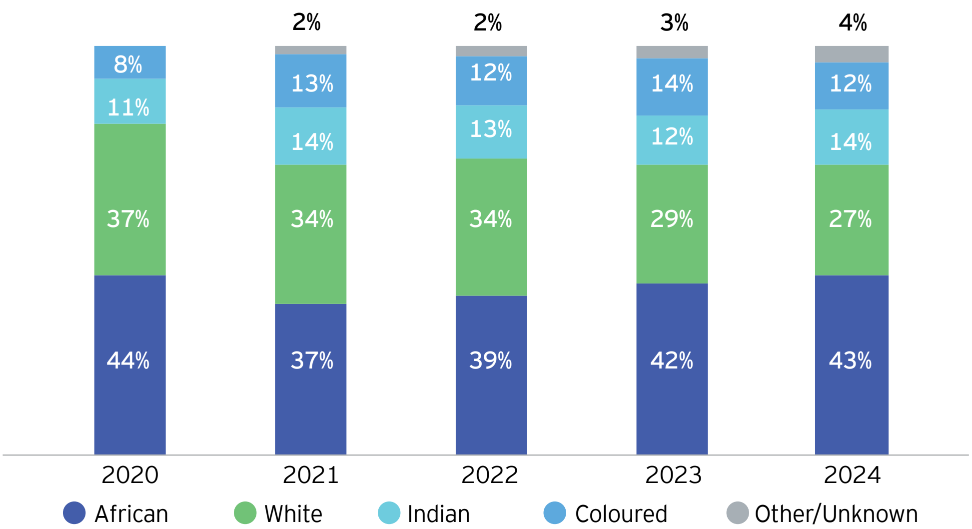


How do you plan to increase diversity?

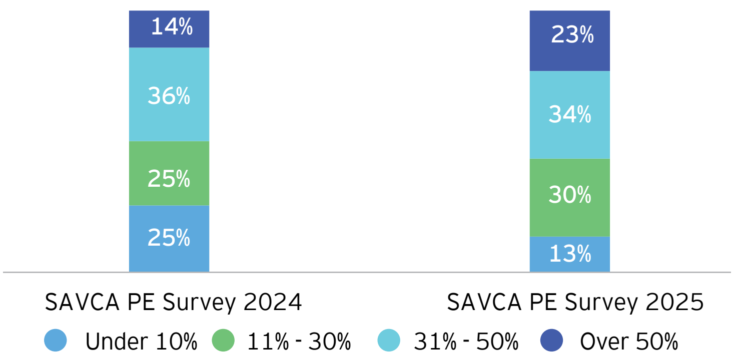


* Other includes recruiting more women, setting diversity targets for future hires, and a combination of the above options (as PE firms could only select one answer, a number of respondents selected Other and noted a number of the aforementioned options as their plans to increase diversity).

PE firms' employee distribution by race



What is the percentage of senior management of portfolio companies that are classified as black management?

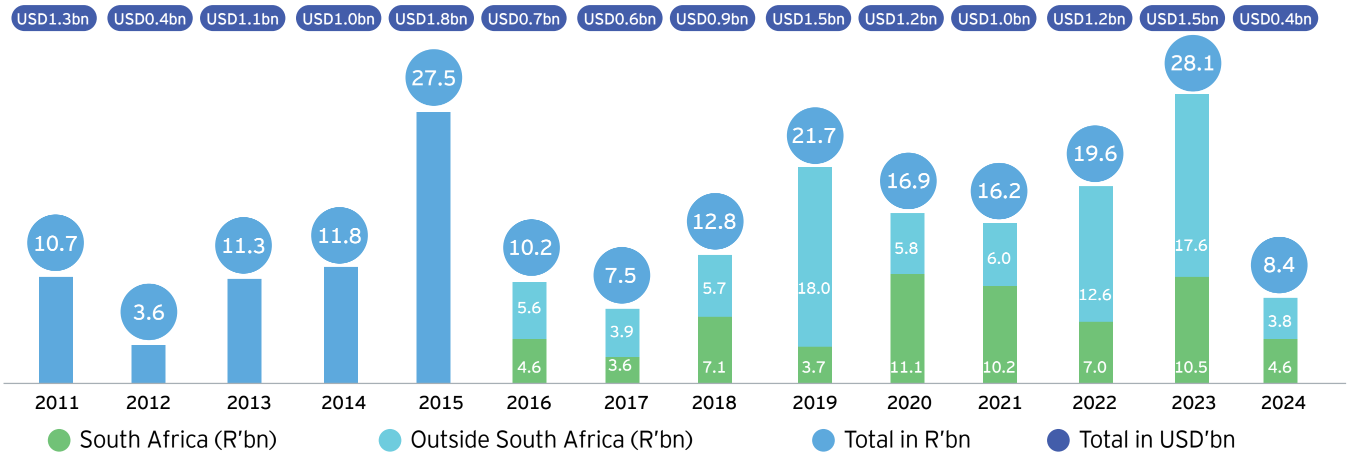


PE firms continue to improve their transformation in incorporating diversity at a firm level and across their portfolio companies. **The key highlights for the industry include:**

- 61% of PE firms have >50% black ownership without applying modified flow through, an improvement from 59% in 2023
- 21% of PE firms have >50% black female ownership, up from 16% in 2023
- 72% of PE firms have > 50% black management, up from 62% in 2023
- 57% of PE firms reported > 30% black management in their portfolio companies with 23% reporting > 50% black management, up from 14% in 2023

04 Fundraising Activity Insights

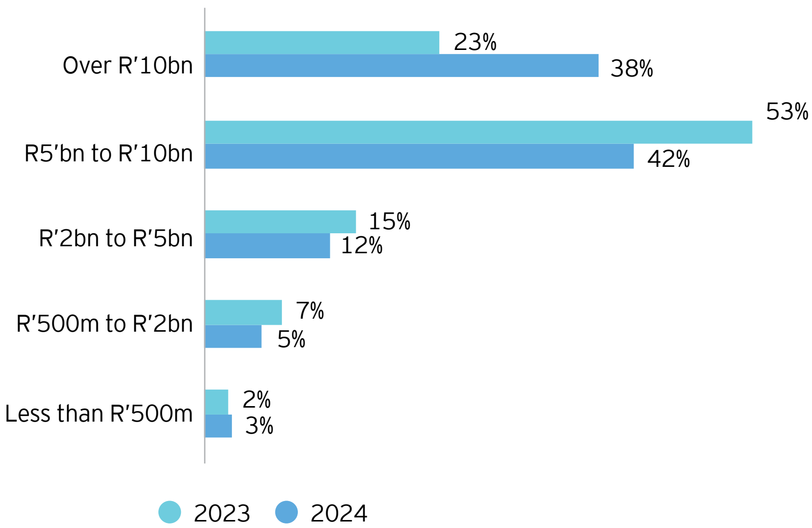
Value of funds raised (2011-2024), including split by investment destination from 2016 onwards (R'bn and USD'bn)



After witnessing growth during 2022 and 2023, fundraising observed a steep decline in 2024. Total fundraising dwindled to R8.4bn, a decline by 70% from 2023 and the lowest level since 2017. Fundraising with both the mandates of investing within South Africa and globally declined significantly – 57% and 78% respectively – alluding towards investor's inability to provide capital to the GPs regardless of the funds' geographical focus. By number of PE firms that raised capital, this reduced to 13 PE firms in 2024 vs. 21 firms in 2023, thus only a 38% decline and shows the lower value of funds raised per PE firm. We note that in 2023, four firms each raised over R3bn, while no PE firms raised over R3bn in 2024.

A dearth of distributable capital due to a meek exit environment is a likely key reason for the lack of fundraising in 2024. Lack of capital with LPs for investment would have caused them to prioritise high return generating geographies such as Europe and the US and subsequently depleting Southern Africa-based PE firms' fundraising – as per Pitchbook, PE funds rolling one-year horizon IRRs as of 3Q24 were ~14% for Europe-based funds, ~11% for the US-based funds and ~6% for rest of the world.

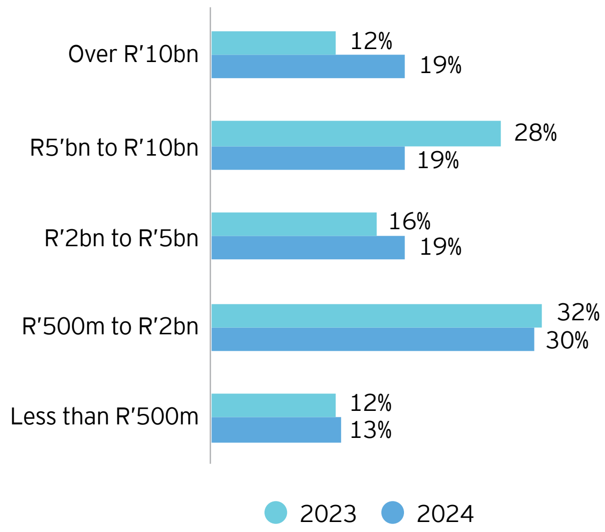
Percentage of funds raised by PE firm size (FUM split)



In 2024, investors improved their allocations towards mega fund managers (FUM > R10bn), providing 38% of the total capital raised vs. 23% in 2023.

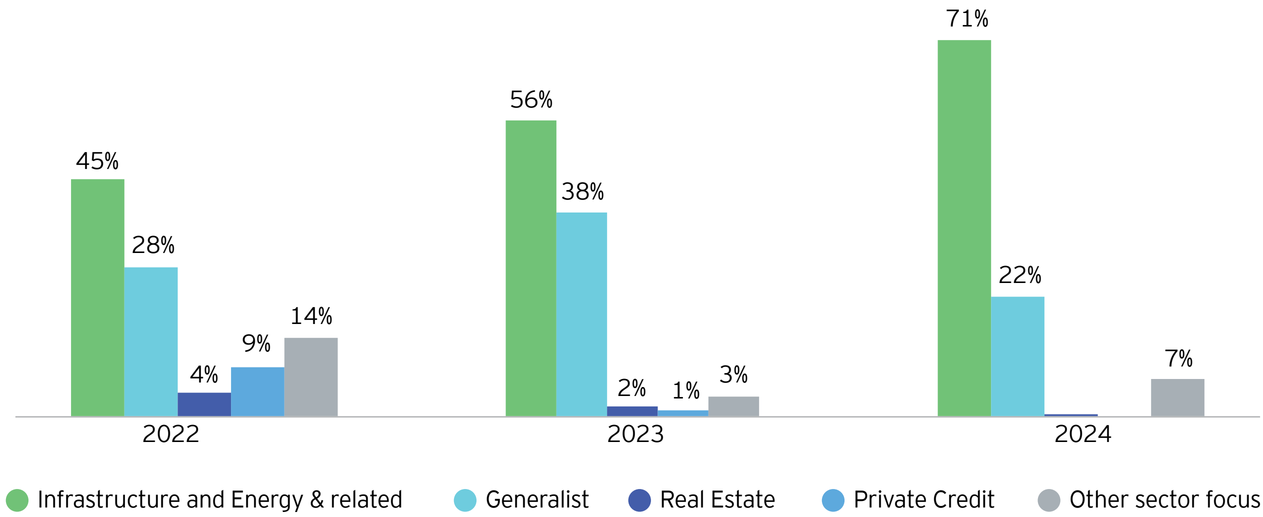
During 2023, when global economies grappled with high inflation and continuous interest rate hikes, investors, while still favouring mega fund managers, had enhanced their focus towards large (with FUM between R5bn-10bn) and middle-market fund managers (FUM between R'500m to R5bn). This occurred to facilitate manageable smaller deals that required less capital and financing. However, as headwinds diminished in 2024, the share of capital allocation towards large and mid-market funds reduced. Large funds received 42% of capital (53% in 2023) and mid-market firms received 17% of the total allocation (22% in 2023).

Percentage of firms raising funds in 2024 by PE firm size (FUM split)*

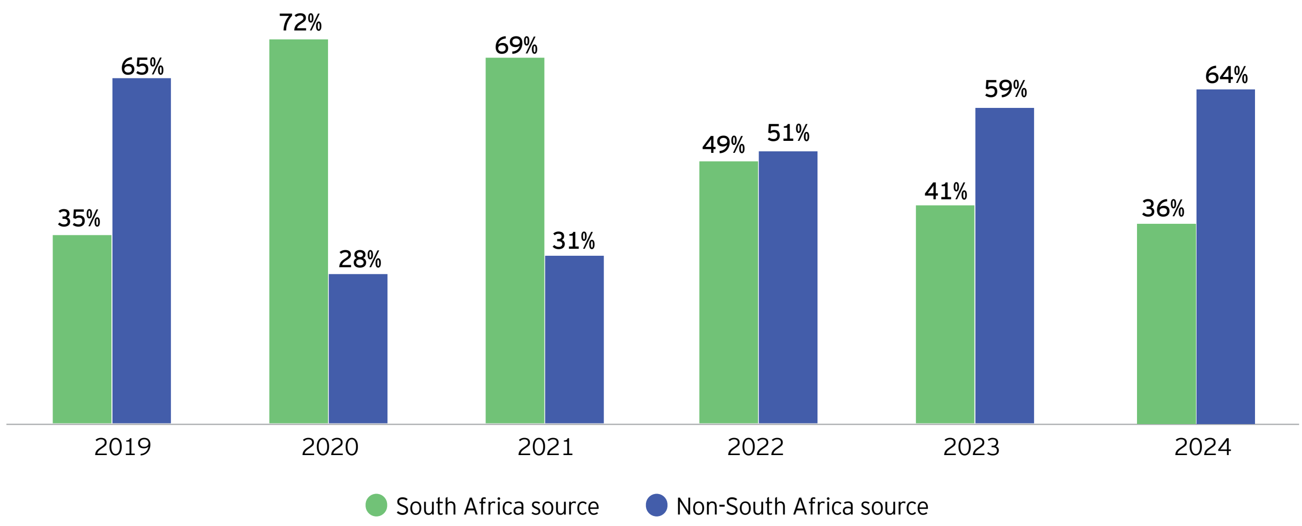


*2023 numbers are revised and updated as updated information was received for 2023.

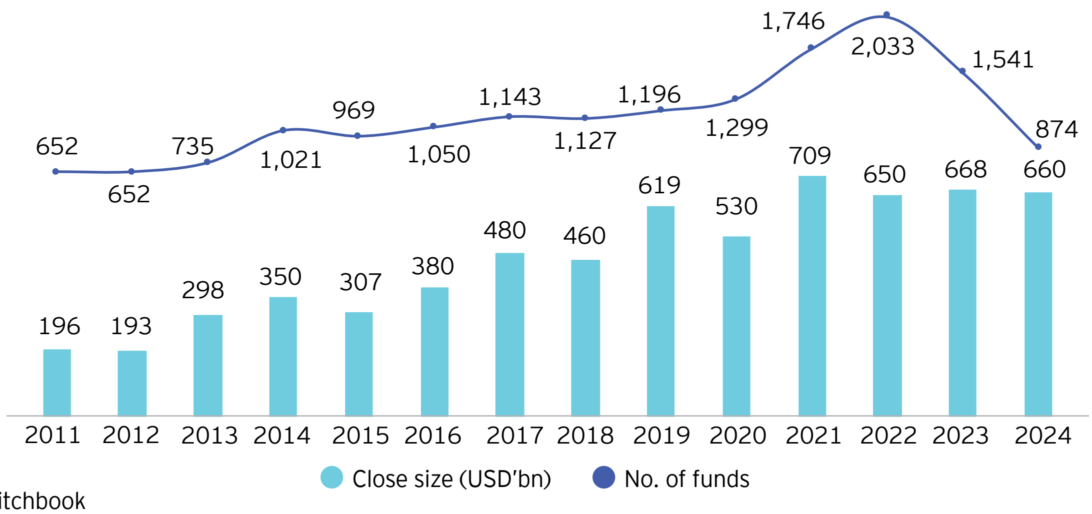
Composition of fundraising by focus of the fund, 2022 - 2024 (% of total)



Geographical source of funds raised, 2019-2024 (% of total)



Global PE fundraising trends - 2011 to 2024 (USD'bn)

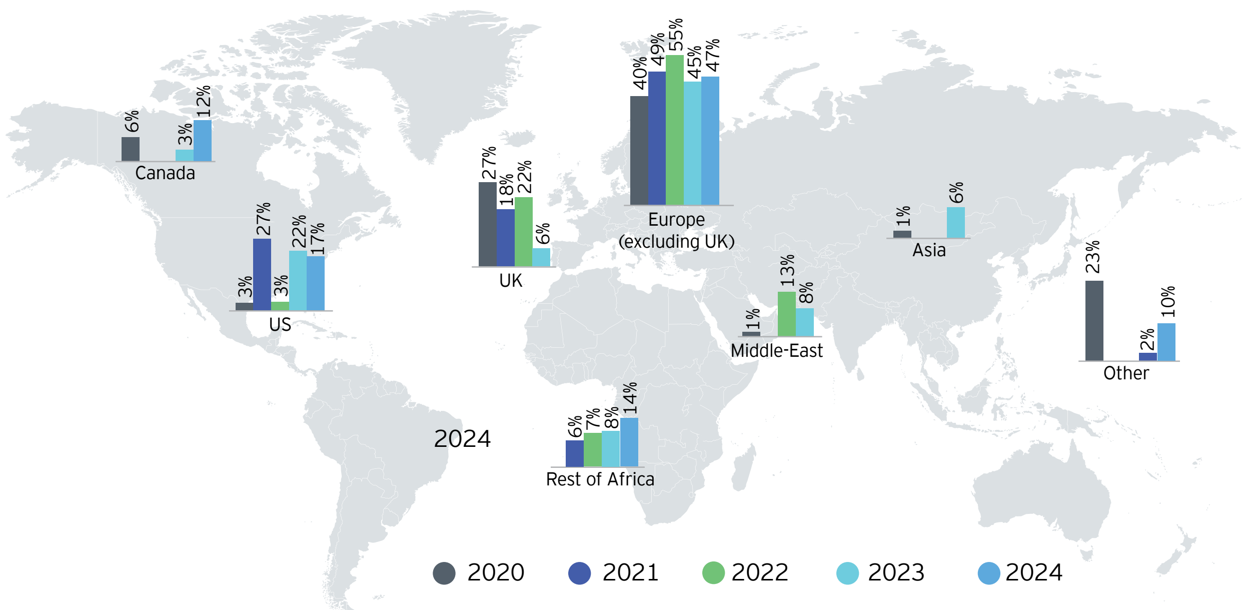


Source: Pitchbook
Note: The numbers in prior periods per Pitchbook get constantly updated by it, hence the information from Pitchbook as shown above for prior years is slightly different to that shown in prior SAVCA PE surveys.

Global PE fundraising also remained stagnant in terms of fundraising value and witnessed a sharp decline in fund volume. Though the exit environment improved, it failed to rally to meet the momentum built by deal activity in the last few years which has continued to cause unavailability of capital to be reinvested into PE funds. Additionally, global outperformance of the public market (S&P 500 grew by 24%) likely led to a flow of capital away from private capital and towards capital markets, potentially compounding the already restricted flow of capital.

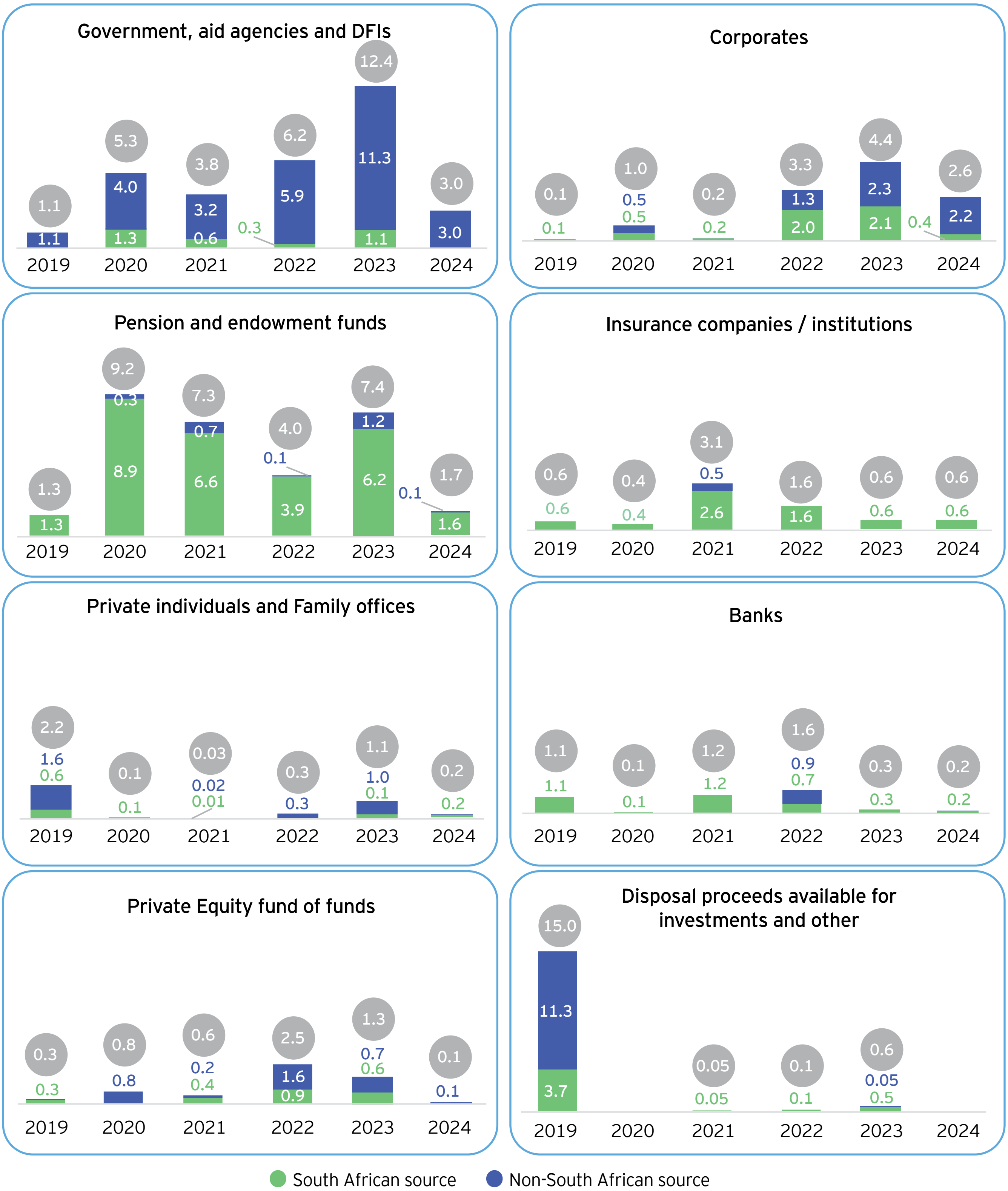
Though fundraising value remained flat, volume declined by over 50%, causing the average fund size to rise to USD919bn vs. 657bn in 2023. This highlights LPs continued focus on established and large fund managers.

Breakdown of non-South African sources of funds raised by geography



Within the current allocations, the highest proportion of capital from outside South Africa came from LPs based in Europe (excluding UK) at 47%. Remaining funding was mainly from investors in the US (17%), rest of Africa (14%) and Canada (12%). However, the growth in participants' share compared to last year is not indicative of real growth, as the overall base has contracted significantly. Middle East, the UK, and Asia did not contribute to the fundraising in 2024 and 10% of the remaining capital came from remaining geographies.

Source of funds raised, 2019-2024 (R'bn)



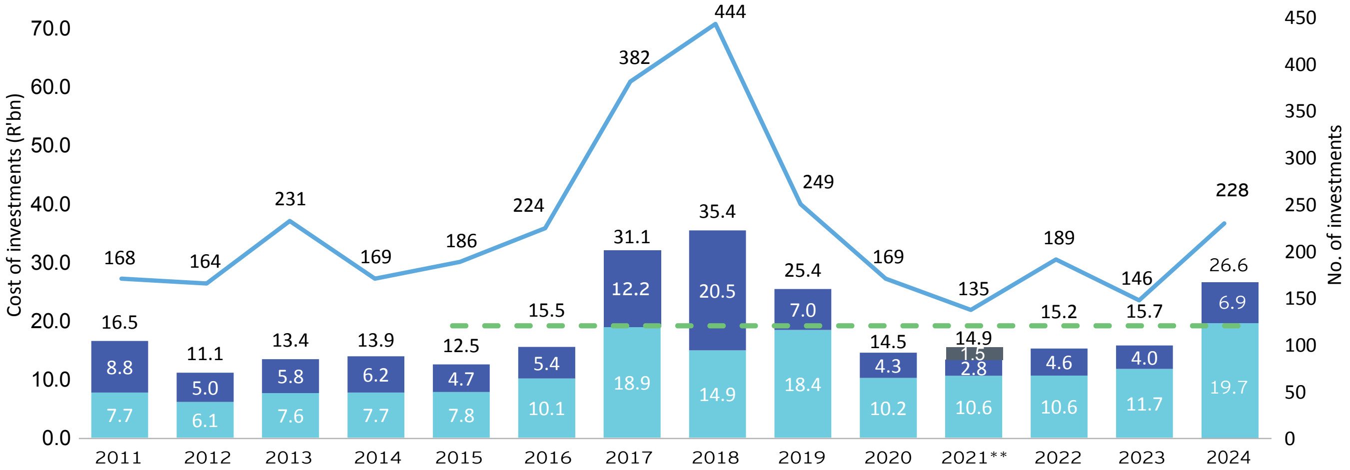
For fundraising in 2024, government, aid agencies, and DFIs remained the largest investors with 35% (R3.0bn). Corporates surpassed pension and endowment funds in overall share in fundraising to become the second largest contributors with 31% of the capital raised.

When compared to 2023, Non-South Africa based government, aid agencies, and DFIs – among the largest contributors of capital in previous years – reduced their allocations to the region's PE firms by 74% in 2024, adversely impacting overall fundraising. Similarly, South Africa-based pension and endowment funds, who proliferated their capital allocation in regional GPs, also pulled back their contribution in 2024 (R6.2bn in 2023 vs. R1.6bn in 2024).

05 Investment Activity Insights

Number of and cost of investments split by new and follow-on (2011-2024 in R'bn) and in the 2nd chart, in USD'bn)

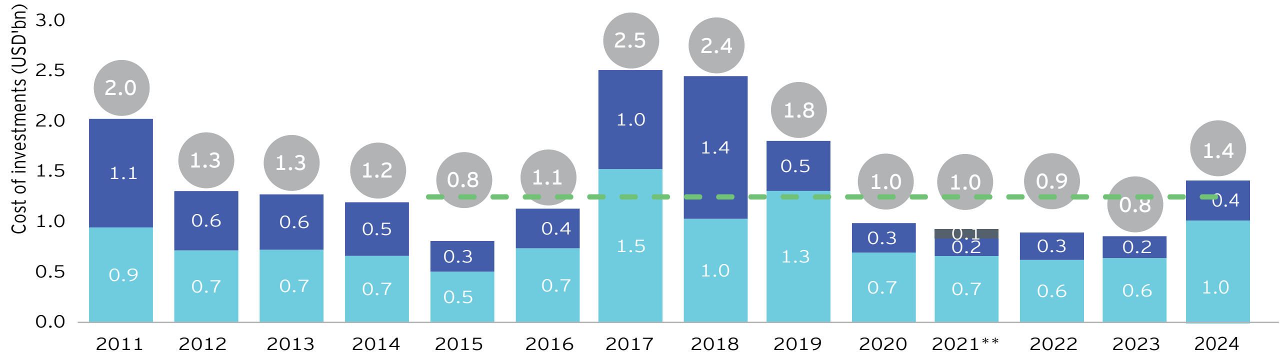
Investments surged in 2024, increasing by 69% in value and 56% in volume. 2024 emerged as the highest dealmaking year by value and second largest by volume since 2018.



New Follow-on Others** Average value (R'bn) of deals over 10 years Number*

* The number of investments excludes Business Partners throughout and Others in 2021.

**Investments not categorised by respondents in 2021 to either New or Follow-on were disclosed as Others.



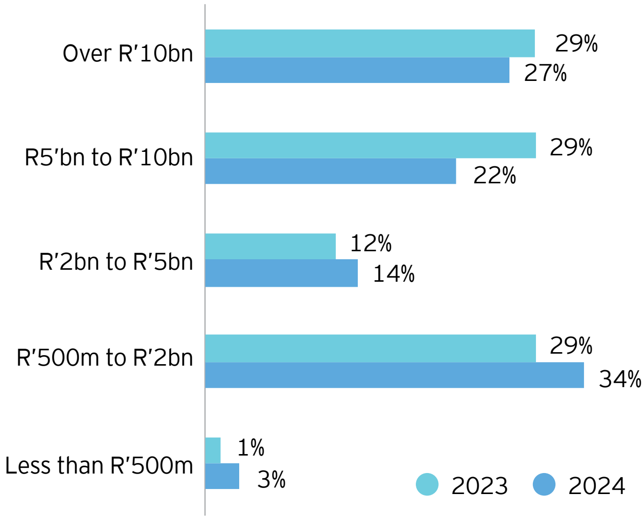
New Follow-on Others** Average value (USD) of deals over 10 years

**Investments not categorised by respondents in 2021 to either New or Follow-on were disclosed as Others.

Strong fundraising in 2022 and 2023 led to accumulation of undrawn commitments/dry powder. Going into 2024, PE firms in the region had R61bn in dry powder – the highest since observation began in 2011. The abundance of dry powder is likely to have compelled PE firms to step up their investment activity.

Additionally, multiple macro factors such as decreased inflation, repo rate reductions (albeit not yet significant), culmination of South Africa's elections with a positive outcome, and reduced loadshedding have positively impacted investment activity. South Africa also witnessed inflation easing throughout 2024. The 12-month Consumer Price Index (CPI) inflation level reached 4.4% in December 2024 from 5.3% in January 2024, including a low of 2.8% in October 2024. This cascaded to enable lowering of repo rates – though the repo rate remained high, it has reduced by 50 basis points in the last four months of 2024, reaching 7.75% by the end of the 2024. The confidence in the economy gained through the reduction of inflation combined with the availability of lower cost debt improved investors interest and in turn, augmented dealmaking.

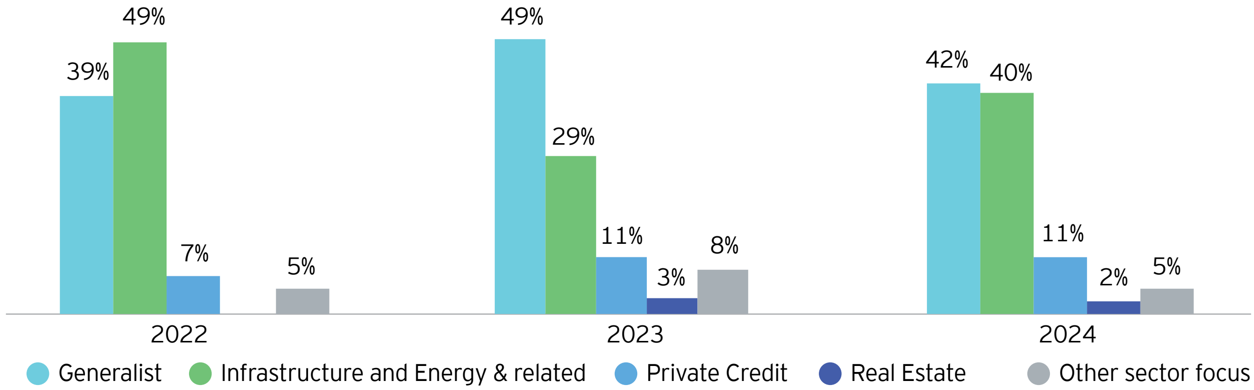
Breakdown of the volume of investments by PE firm size (FUM split)



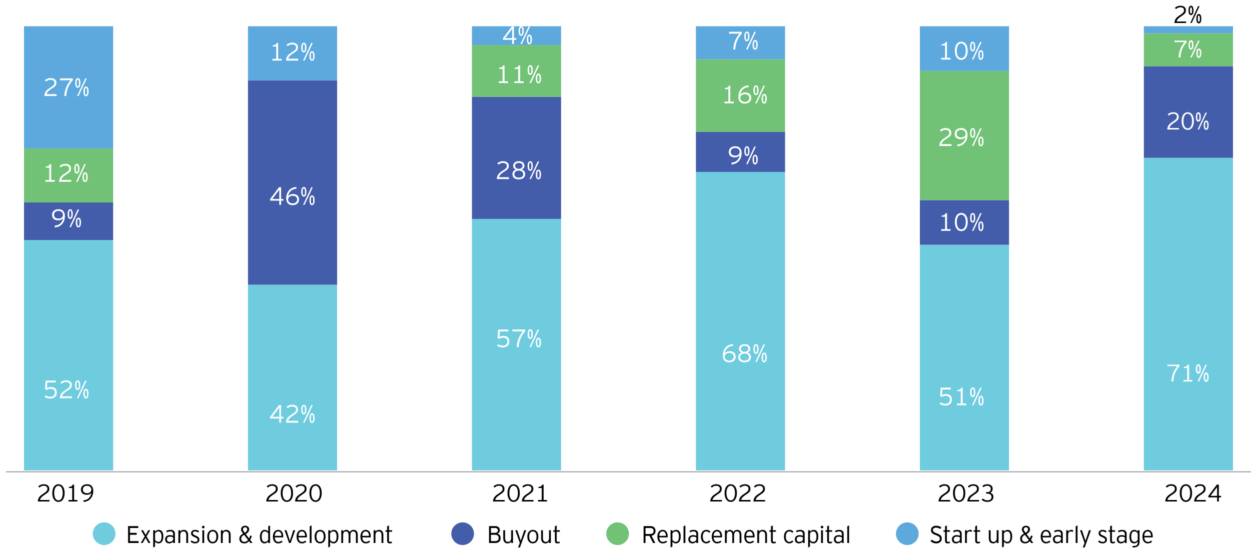
Mid-market firms, with FUM between R500m and R2bn and between R2bn and R5bn, improved their share in dealmaking in 2024 with contributions of 34% and 14% respectively. Availability of leverage at slightly lower rates than recent years potentially caused them to undertake more deals.

While the proportion of dealmaking by mega firms and large firms declined in comparison to 2023, it remained prominent at 49% of overall deal volume in 2024.

Composition of cost of investments by focus of the fund, 2022 - 2024 (% of total)



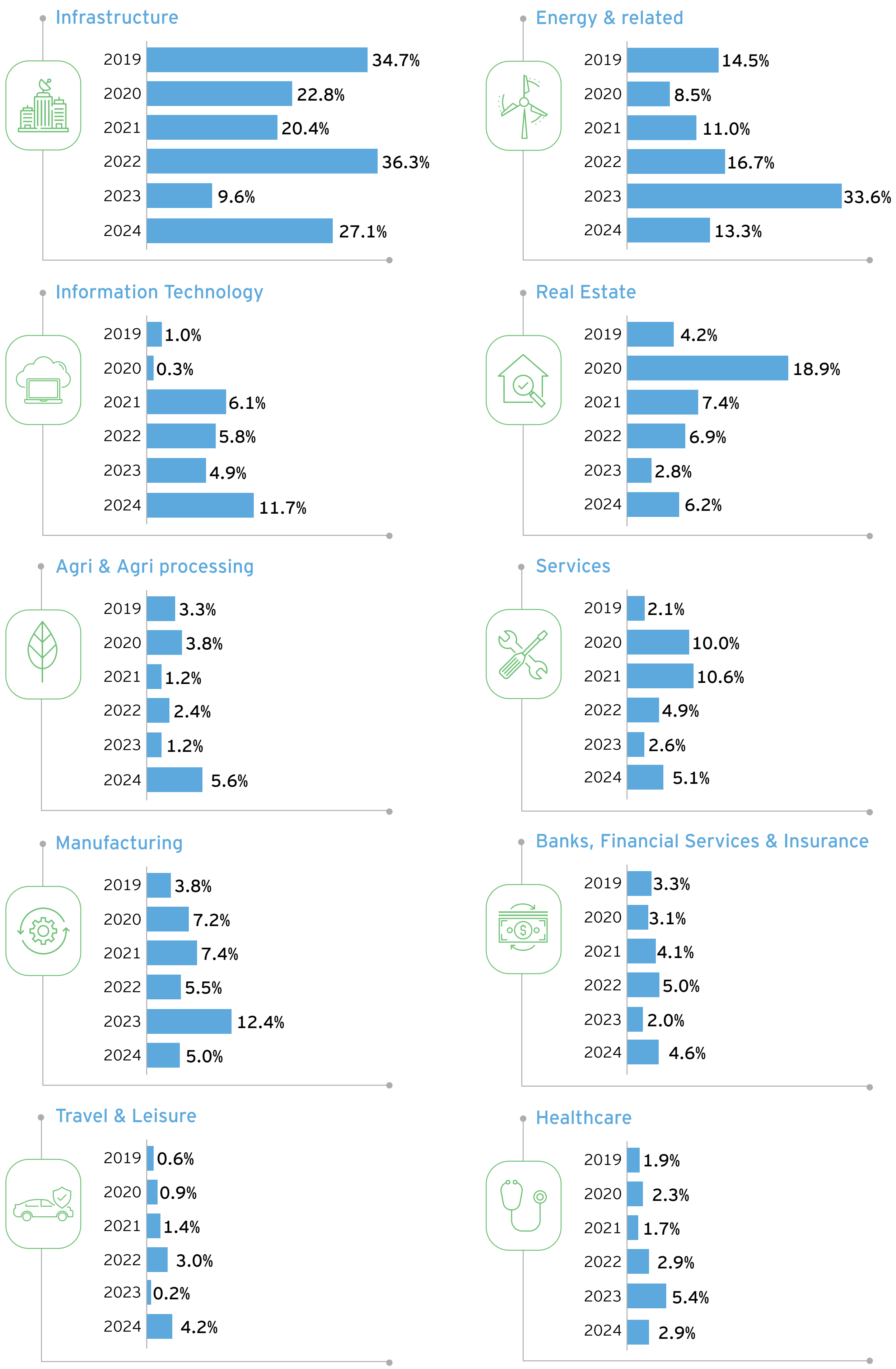
Cost of investments by stage, 2019-2024 (% of total)



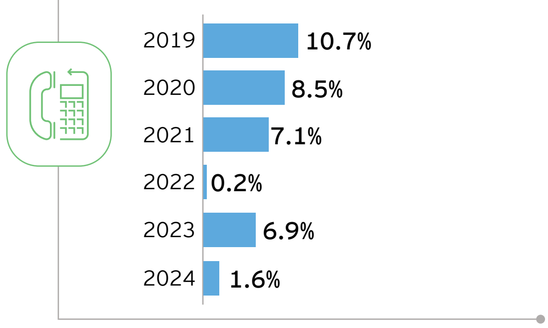
Stabilisation of South Africa's economy during 2024, particularly after the elections, is likely to have further prompted PE firms to improve their focus towards expansion and development stage companies.

Driven by high dry powder and slightly lower cost of lending, PE firms shifted their dealmaking attention away from deals requiring less capital such as start-up and early-stage investments (which contributed 2% in total deal value in 2024 vs. 10% in 2023) to deal types requiring larger investments. Buyout deals, which are typically at higher values, and often leverage driven, witnessed growth in their share, contributing 20% of the total deal value in 2024 versus 10% and 9% in 2023 and 2022 respectively.

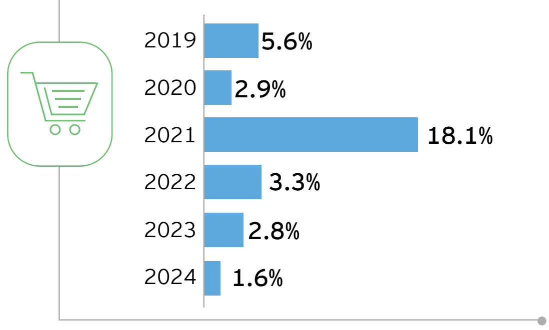
Investments by sector, 2019-2024 (% of total cost)



Telecommunications



Retail



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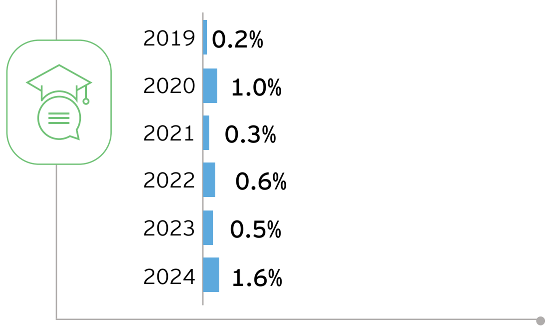
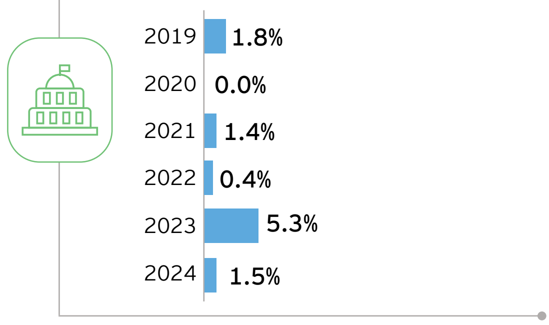
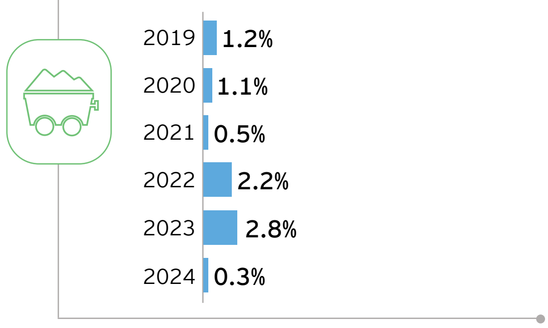


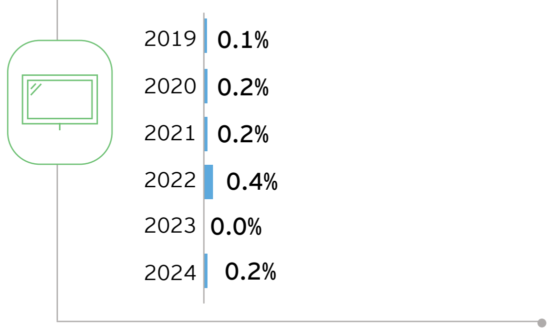
Infrastructure related services



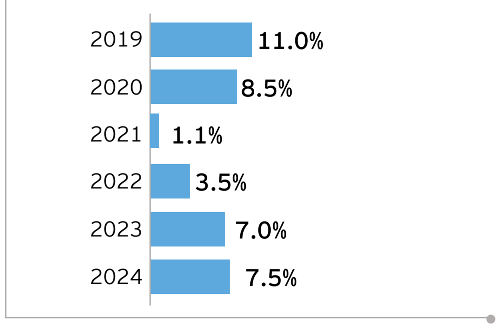
Mining & Natural resources



Media



Others



Increased government focus and initiatives, and strong fundraising by the infra-focused funds in recent years drives growth of investments in the infrastructure sector

Infrastructure emerged as the most prolific sector in terms investment value in 2024, garnering over 27% of the capital deployed.

During 2024, the South African government's focus on investment in infrastructure along with its recognition of the role of the private sector to attain development goals provided impetus to infrastructure financing. The government estimates requiring R3.2tr* from the private sector by 2030 to achieve the country's infrastructure goals.

The growth was underpinned not only by robust government initiatives, but also by formidable fundraising by infrastructure and energy-focused funds during 2022–2024 (~R30bn), which significantly expanded the capital available for deployment in the sector.

The Energy sector continued to garner interest from PE investors

The Energy sector continued to be a key sector for PE firms with over 13% of capital deployed into companies in this sector, albeit down from 34% in 2023. The strong fundraising by infrastructure and energy-focused funds over 2022–2024 has been instrumental in sustaining investment momentum, particularly driven by investments in renewable and clean energy projects, which remain a priority for investors.

South Africa's focus on renewable energy, evident from recent implementation of South African Renewable Energy Masterplan (SAREM), has also been pivotal in driving investment into this critically important sector.

Information technology (IT) sector witnessed strong growth in investments

IT garnered the third-most investment by value in 2024, increasing from 6% or less every year from 2019 to 2023, to 11% in 2024. Growth in disruptive technology such as AI creates attractive investment opportunities for PE firms.

As infrastructure, energy and IT have emerged as sectors garnering most investments, below is a selection of investments made in these sectors.

PE acquirers	Other acquirers	Target	Business description
Selected deal in the **Infrastructure** sector			
AIIM Africa	STOA Infra & Energy, Thebe Investment	Octotel	A fibre network operator
Selection of deals in the **Energy** sector			
Mergence Investment Managers	N/A	Solarise Africa	Operator of an energy-as-a-service company
Sanari Capital	N/A	Energenic Holdings	Provider of energy generation products and solutions
Selection of deals in the **Information Technology** sector			
Convergence Partners	N/A	Datacentrix Holdings	A hybrid IT systems integrator and managed services provider
Medu Capital	N/A	Optron Group	Offers solutions in positioning, modelling, connectivity, and data analytics

Number of investments by sector (excl. Business Partners)

	2023			2024		
Sector	**SA%**	**Outside SA%**	**Total%**	**SA%**	**Outside SA%**	**Total%**
Energy and related	14.5%	17.5%	15.1%	8.6%	19.2%	10.1%
Real Estate	11.1%	3.4%	9.6%	8.6%	6.5%	8.3%
Manufacturing	7.7%	10.3%	8.2%	8.1%	6.5%	7.9%
Banks, financial services and insurance (BFSI)	5.1%	10.3%	6.2%	8.1%	6.5%	7.9%
Agri and Agri processing	0.0%	10.3%	2.1%	6.6%	12.9%	7.5%
Services	5.1%	3.4%	4.8%	5.6%	12.9%	6.6%
Education	0.9%	0.0%	0.7%	7.1%	0.0%	6.1%
Information technology	5.1%	13.8%	6.8%	4.1%	12.9%	5.3%
Infrastructure	6.8%	13.8%	8.2%	3.6%	12.9%	4.8%
Mining and natural resources and related	1.7%	0.0%	1.4%	5.6%	0.0%	4.8%
Travel and leisure	0.9%	0.0%	0.7%	5.1%	0.0%	4.4%
Retail	6.0%	0.0%	4.8%	4.6%	0.0%	3.9%
Healthcare	4.3%	3.4%	4.1%	4.1%	3.2%	3.9%
Telecommunications	4.3%	13.8%	6.2%	3.6%	0.0%	3.1%
Media	0.0%	0.0%	0.0%	2.0%	0.0%	1.8%
Infrastructure related services	0.9%	0.0%	0.7%	1.0%	0.0%	0.9%
Other/unknown	25.6%	0.0%	20.4%	13.6%	6.5%	12.7%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

06 Portfolio Value Creation

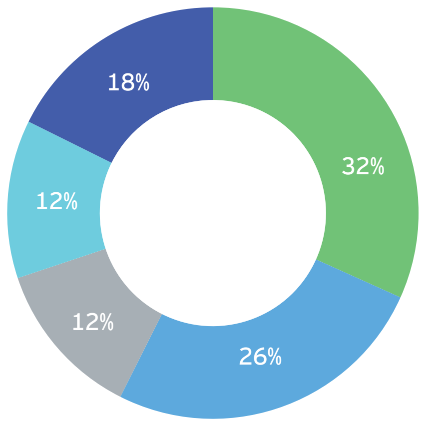
The analysis includes employee, revenue, and EBITDA numbers (subject to availability of data) for portfolio companies held by Southern African PE firms across all of 2022, 2023 and 2024. It thus excludes acquisitions and/or disposals of portfolio companies made in the last three years and rather focuses on only those companies that formed part of the investment portfolio for all three years. Employee analysis covers 249 portfolio companies; revenue analysis covers 247 portfolio companies and EBITDA analysis covers 221 portfolio companies.

The portfolio company split by sector for each of employee numbers, revenue and EBITDA is shown below.

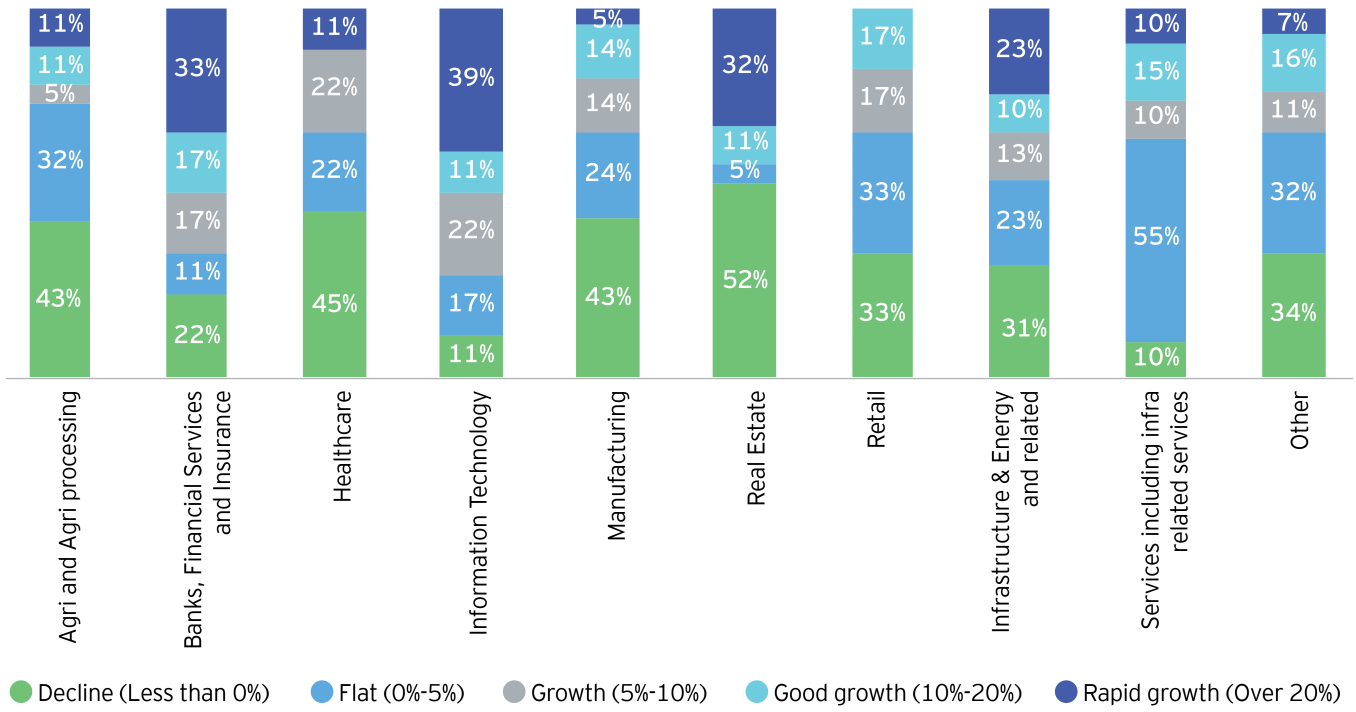
Sector	No. of companies reporting employee numbers	No. of companies reporting revenues	No. of companies reporting EBITDA
Agri and Agri processing	19	14	12
Banks, financial services and insurance	18	23	20
Healthcare	9	28	29
Information technology	18	20	22
Manufacturing	21	25	22
Real Estate	19	8	8
Retail	12	12	7
Infrastructure & Energy and related	69	35	34
Services including infra related services	20	29	28
Other	44	53	39
Grand Total	**249**	**247**	**221**

Employee numbers

Overall employee growth (CAGR 2022-2024) (n=249)



Employee growth by sector (CAGR 2022-2024)

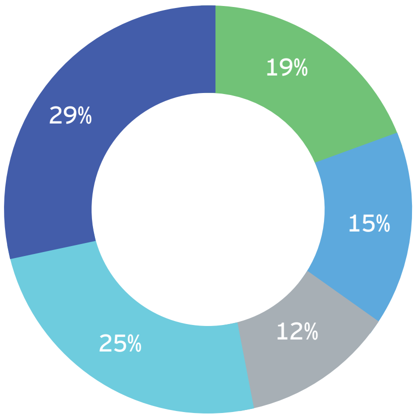


Over 42% of the portfolio companies (portcos) witnessed growth of at least a 5% CAGR in their employee base, up from 39% in last year's survey.

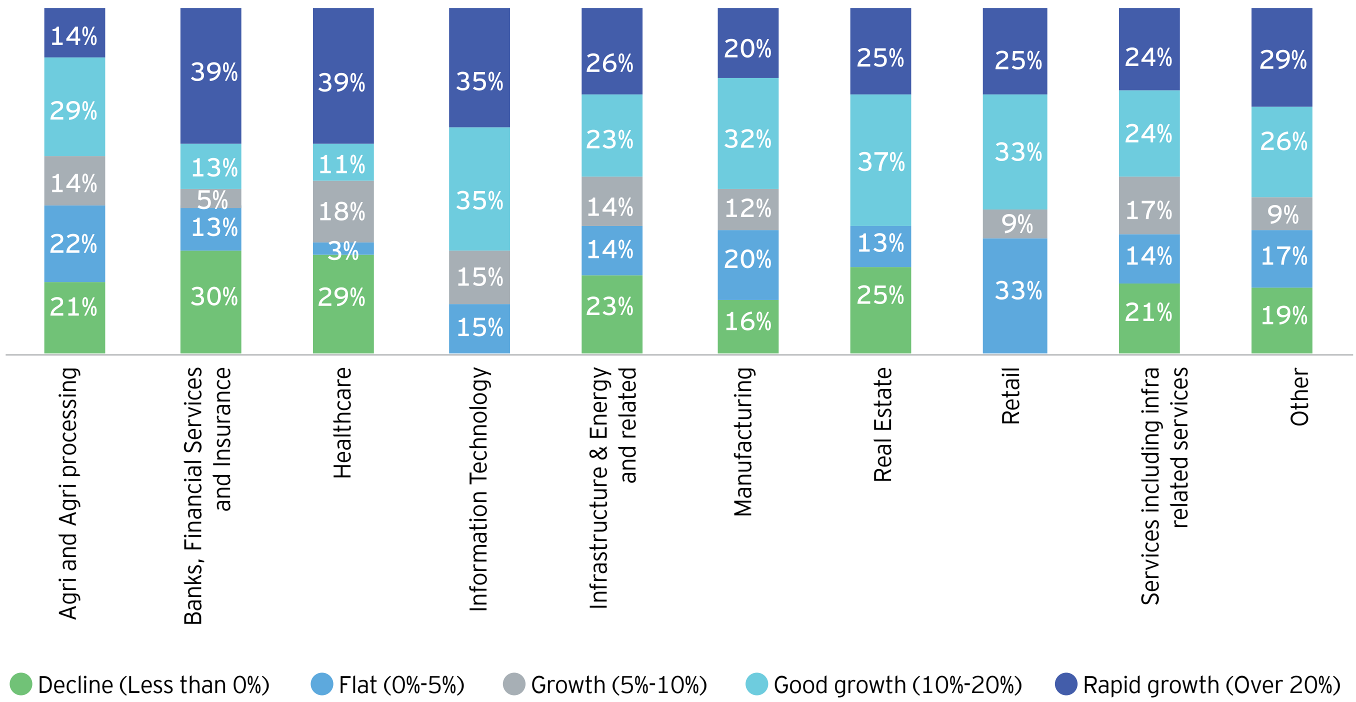
Employee growth within portcos from 2022 to 2024 remained heterogeneous across the sectors. Portcos in IT (72% of these) and financial services (with 67%) emerged as the sectors with highest growth, displaying the highest proportion of employee growth of a > 5% CAGR. Amongst the sectors where either employee count remained flat or declined, agri and agri processing was worst affected where employee numbers in 75% of the portcos remained stagnant or declined.

Revenue

Overall revenue growth (CAGR 2022-2024) (n=247)



Revenue growth by sector (CAGR 2022-2024)



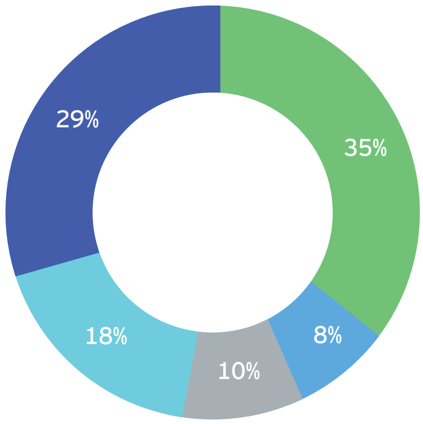
As the macro-economic environment stabilised and political uncertainty subsided with the culmination of elections in South Africa, the businesses in the region displayed steady revenue growth across the sectors. Overall, 66% of the portcos witnessed growth of at least inflation or better (CAGRs over > 5%) from 2022 to 2024, a slight improvement on 63% of portcos reporting CAGR growth of at least 5% from 2021 to 2023.

Over 50% of the portcos in each sector displayed CAGRs of > 5% from 2022 to 2024. Expectedly, consistent with its global growth, IT remained the sector witnessing the highest share of companies achieving > 5% revenue CAGRs with 85%. Healthcare was the second most successful sector with 67% of these companies achieving > 5% revenue CAGRs. Healthcare and financial services were the sectors with the greatest proportion of companies with rapidly growing revenues (39% with CAGRs of >20%).

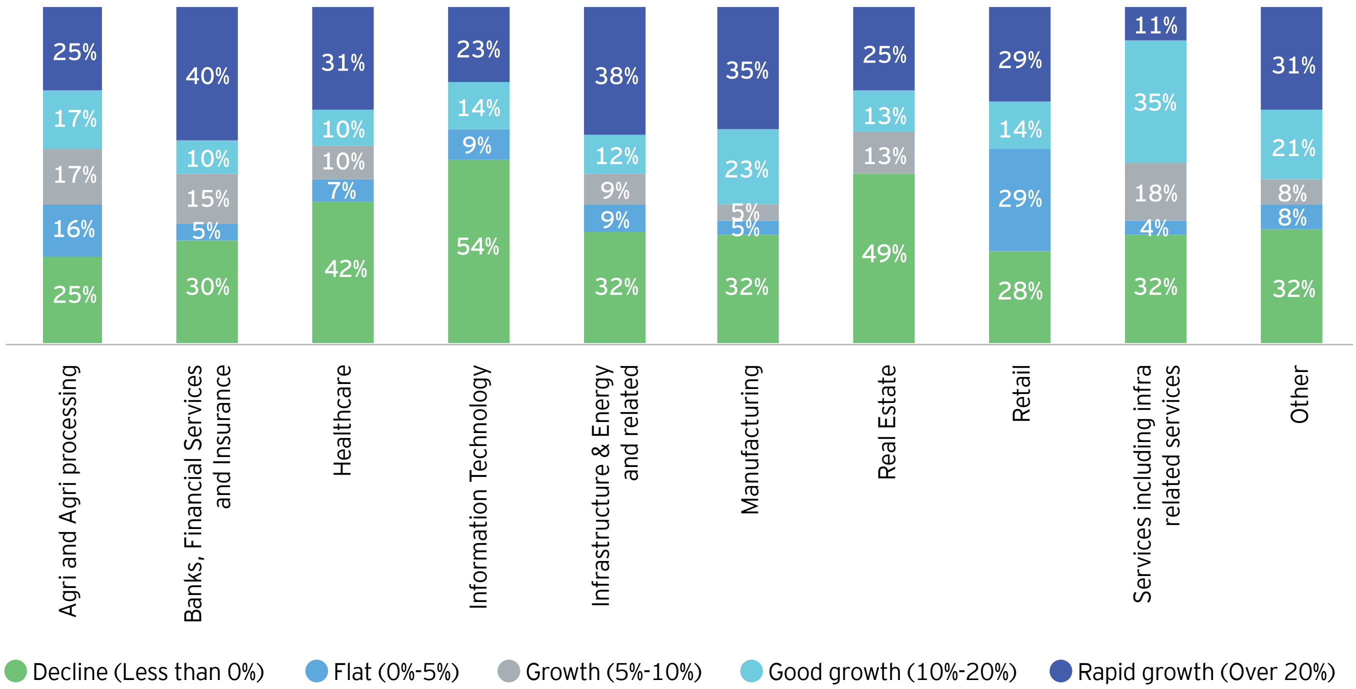
Agri and agri processing, and financial services emerged as the sectors with highest share of portcos where revenue growth either remained flat or declined.

EBITDA

Overall EBITDA growth (CAGR 2022-2024) (n=221)



EBITDA growth by sector (CAGR 2022-2024)



57% of portcos had an EBITDA CAGR of at least 5% in 2022 to 2024. Unlike revenue, this ratio has come down from 61% of portcos during 2021 to 2023.

Financial services portcos displayed efficiency in their cost management as despite 57% of these portcos achieving revenue growth of at least 5%, 65% of these portcos achieved EBITDA growth of > 5%, the best performing sector, slightly better than the services (64%) and manufacturing (63%) sectors.

While IT portcos had strong revenue growth, this did not translate into strong EBITDA performance as 63% of these portcos had declining (54%) or flat (9%) EBITDA CAGRs (weaker than 55% of portcos during 2021 to 2023). This could potentially be ascribed to the increase in costs pertaining to the research and development, and accumulation of human resources required for the constantly evolving IT environment.

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Jersey for Supporting African Capital Raising

Jersey can play an increasingly vital role in sourcing overseas capital securely and efficiently, helping to support economic growth and job creation in Africa.

The Island has been at the forefront of fund services for more than 60 years. It provides a straightforward tax-neutral environment, strong regulatory and legal frameworks, and vast experience in the alternative asset classes, including private equity, venture capital and infrastructure funds.

This, combined with a forward-thinking approach and the ability to offer certainty, stability and substance, gives Jersey the international pedigree that appeals to investors across Africa.

Offering a safe and familiar environment for European investors across institutional, high-net worth and pension funds, as well as meeting the market access requirements under the AIFMD, makes Jersey a highly attractive option for investors in Europe, offering a clear solution for private equity deal structuring in Africa.

Benefits for funds and managers include:

- A regulatory framework which has evolved specifically for alternative asset classes
- A tax-neutral environment to avoid the double or triple taxation of funds and their investors
- Fund service providers ranging in size and specialisation
- Regulations which are proportionate to the level of investor sophistication

US$700.2 bn

total value of funds business in Jersey

as at 30 September 2024

87.5% of fund assets in alternatives

- Private equity
- Venture capital
- Real estate
- Infrastructure
- Hedge

as at 30 September 2024

719

Jersey Private Funds

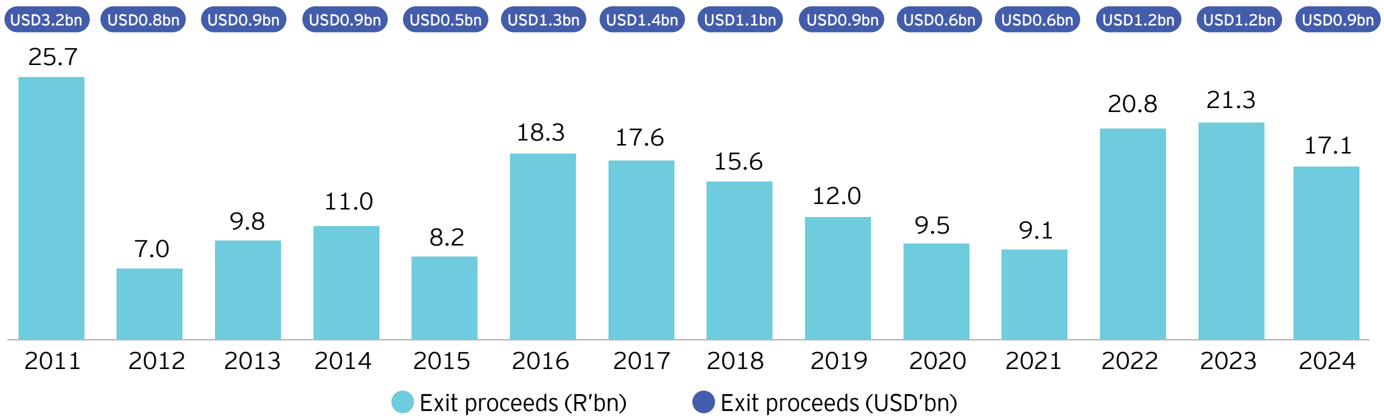
established since their launch in 2017

as at 30 September 2024

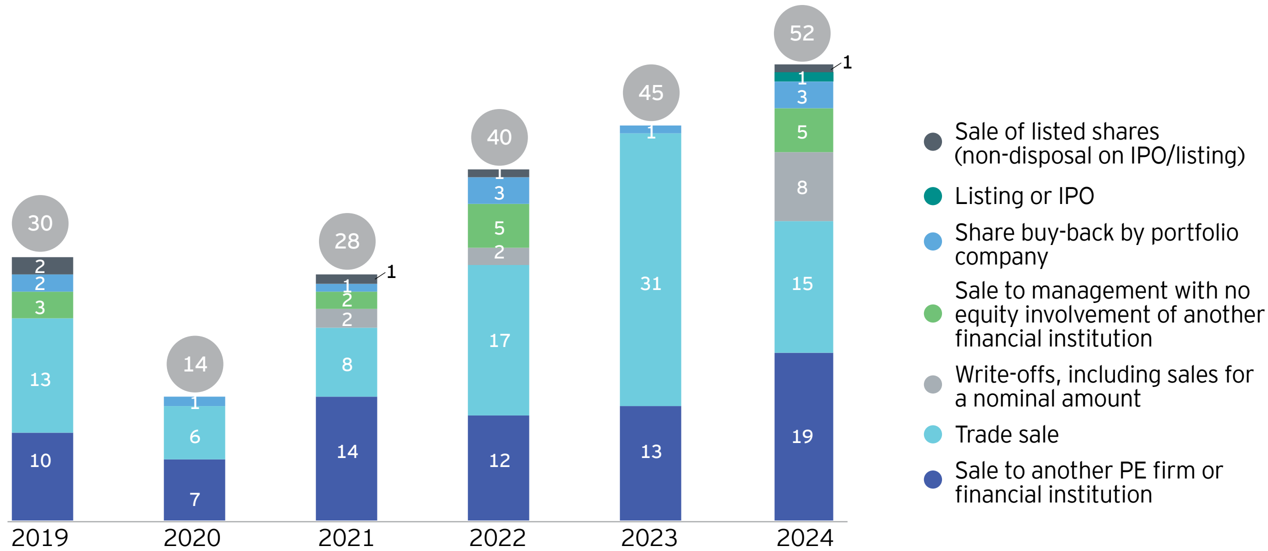
linkedin.com/company/jersey-finance
youtube.com/jerseyfinance
jerseyfinance.je

07 Exit Activity Insights

Funds returned to investors, 2011-2024 (R'bn and USD'bn)



Number of exits (excluding Business Partners), 2019-2024*



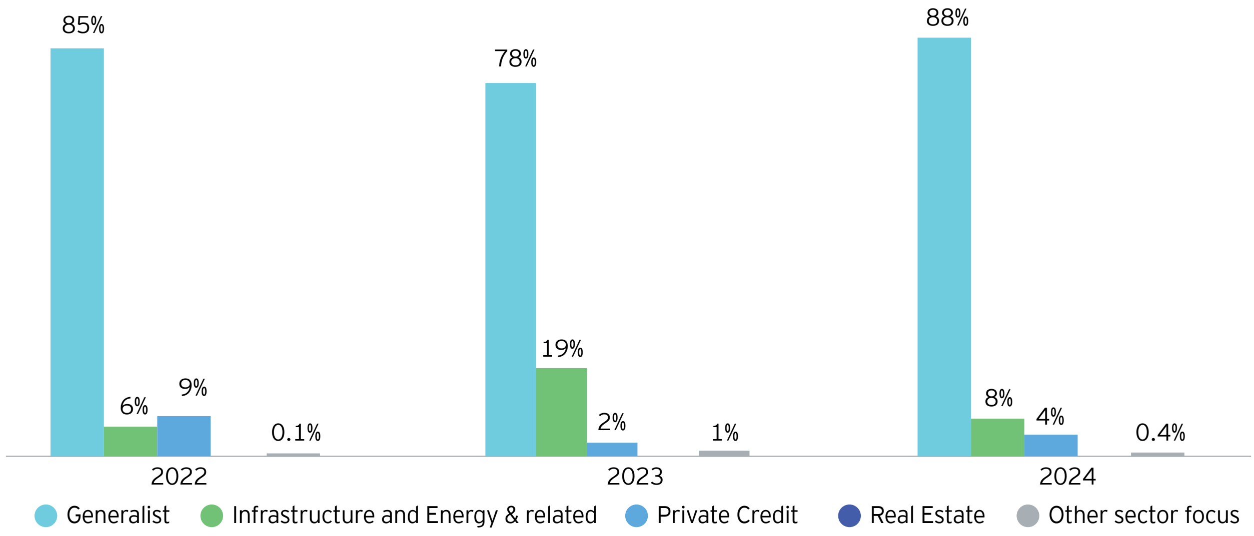
*Number of exits are presented on an overall basis and does not include exits through repayment of preference shares / loans, dividends and interest payments and Other category.

Exit proceeds, which are vital as distribution of returns to LPs and consequently enabling the recycling of capital into new funds, declined by 16% from the high in 2023. The number of exits reached a high of 52 exits, however of these exits, eight were write-offs, the highest number of write-offs in the last six years and highlighting the economic struggle of the region.

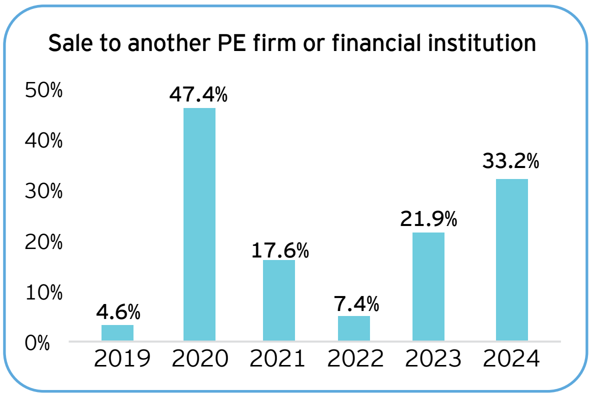
The exits were most impacted by fewer trade buyers as acquirers, which have traditionally been the biggest contributors to exits. Lack of activity by trade buyers emphasises the continuous need of economic improvement in the region. The interest rate despite being lowered during 2024, remained higher than usual, failed to incite corporates to make more investments, which are not obligated to spend their capital unlike PE funds with their dry powder. Meagre South African GDP growth of real 0.5% in 2024 could have also impeded trade buyers to make commitments. The more limited activity by trade buyers was however compensated by PE firms being active acquirers, driven by the high levels of dry powder.

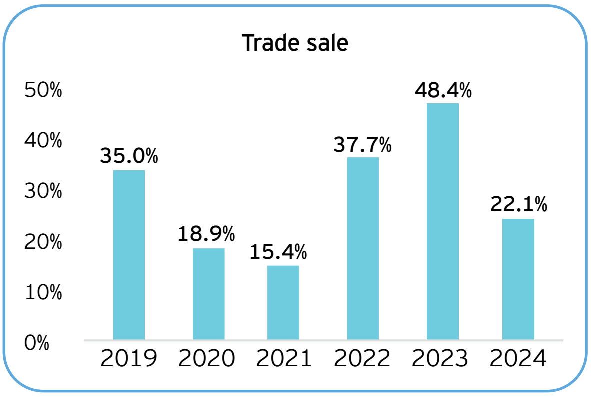
An encouraging element for exits was the return of disposals through the public markets – with one exit through the sale of public shares and one through an IPO listing. The only IPO of the year was the AfricInvest-backed CMGP Group, a pan-African integrated agri-services company, which raised USD110m through its listing on the Casablanca Stock Exchange (CSE).

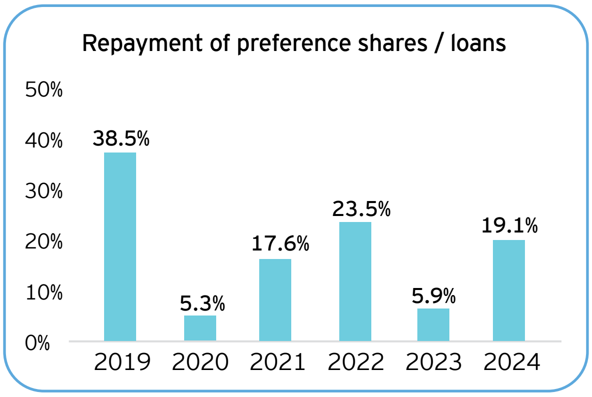
Composition of exit proceeds by focus of the fund, 2022 - 2024 (% of total)

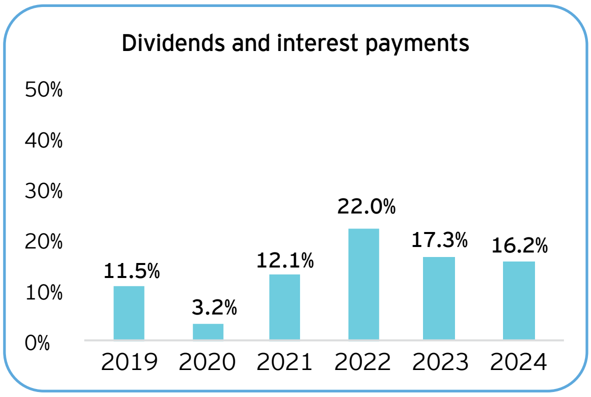


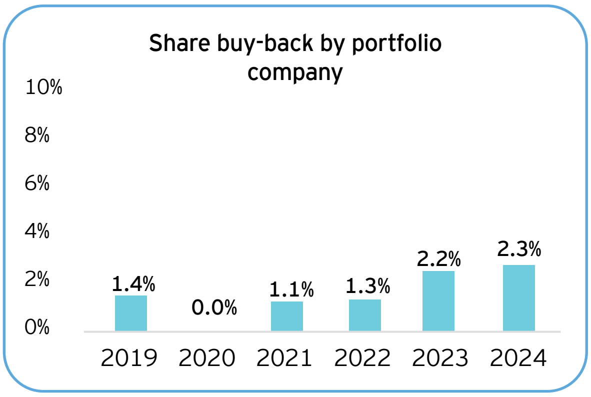
Proportion of funds returned based on exit route, 2019-2024 (% of total)

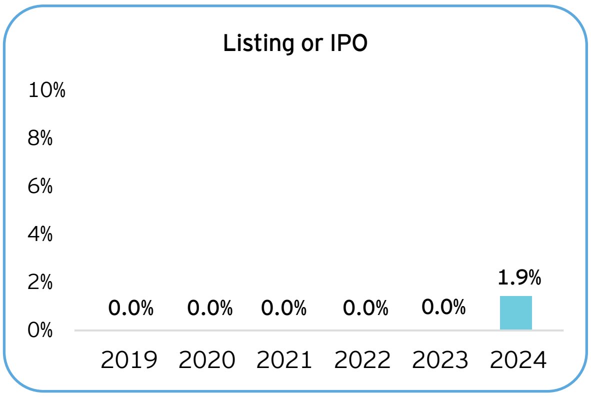


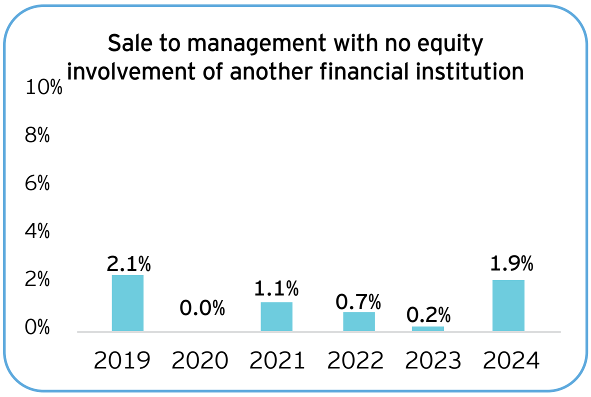


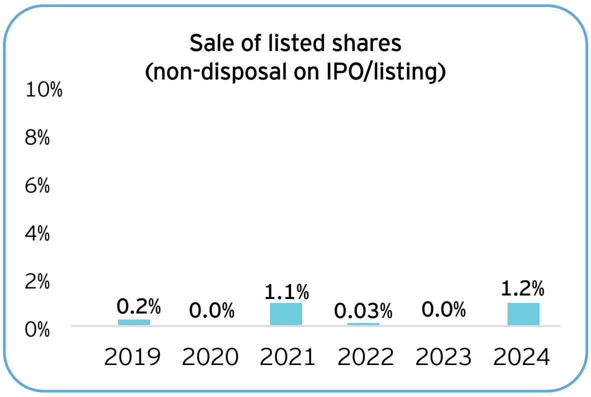


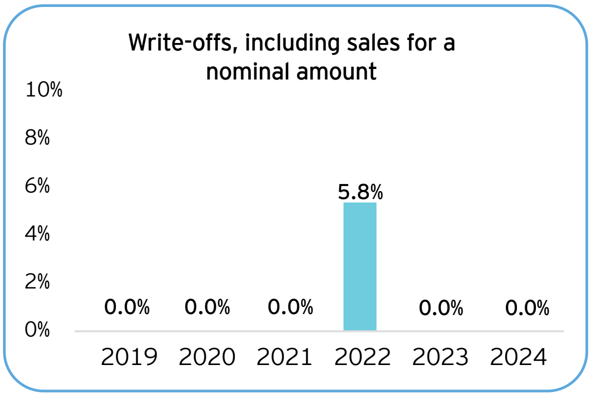


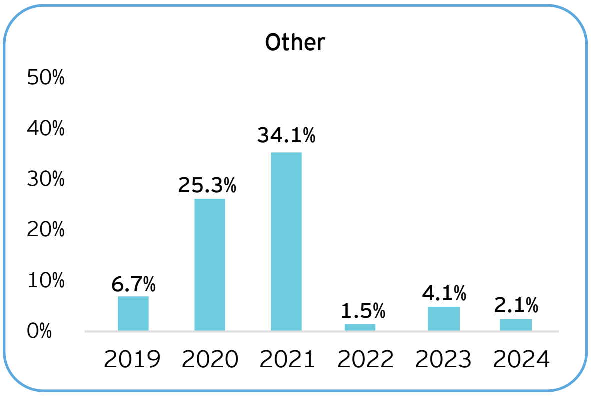




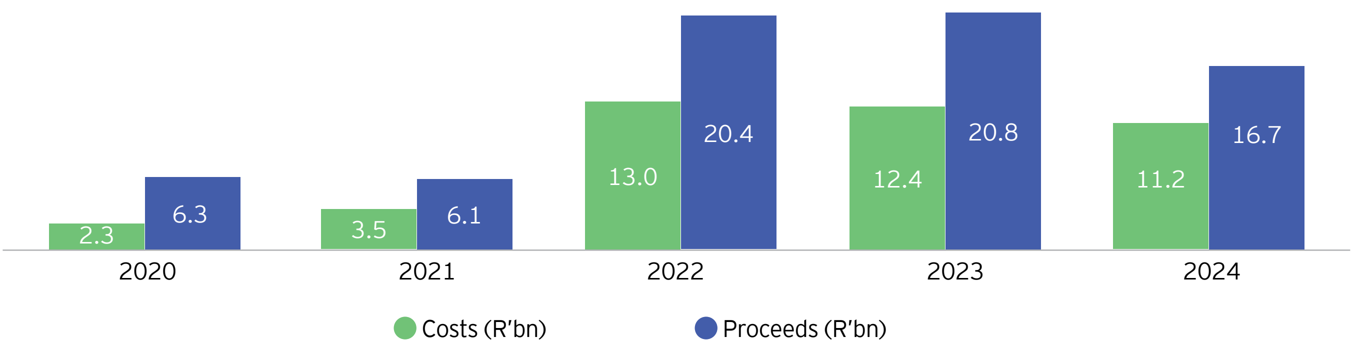






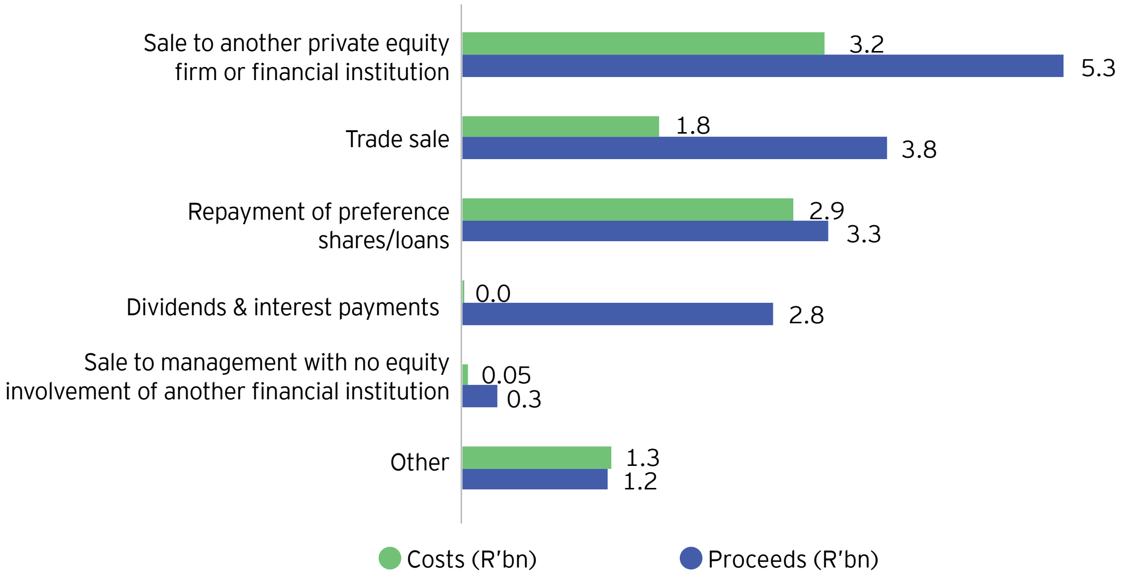


Total proceeds and cost of investments exited, 2019-2024 (R'bn)*



*Analysis includes only those exits where both proceeds and costs were provided by survey respondents. Write-offs are included in the costs.

Total proceeds vs. cost of investments exited by key exit type, 2024 (R'bn) *



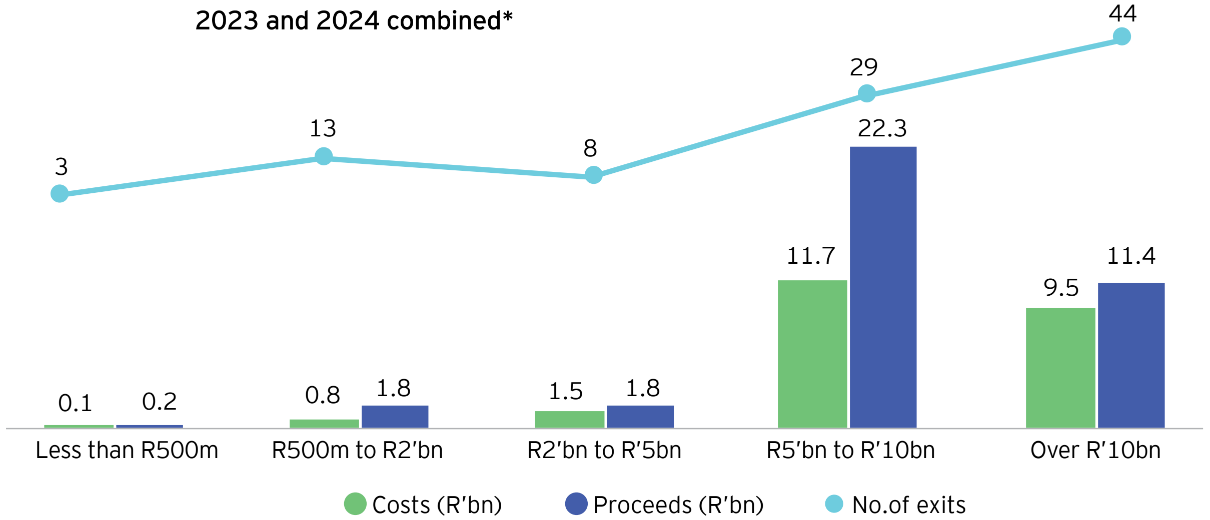
*Analysis includes only those exits where both proceeds and costs were provided by survey respondents. Other includes sale of listed shares, listing or IPO, and share buy-back by portfolio company. Write-offs are not included in the analysis.

The proportion of proceeds to cost of investments declined to 1.5 times from 1.7 times in 2023. This highlights the struggles of PE firms in garnering proceeds as despite the increase in exit volumes, proceeds have declined.

Trade sale remained the exit route with the highest returns with the proportion of proceeds to cost of investments at 2.1 times. Secondary exits generated proceeds 1.7 times their cost.

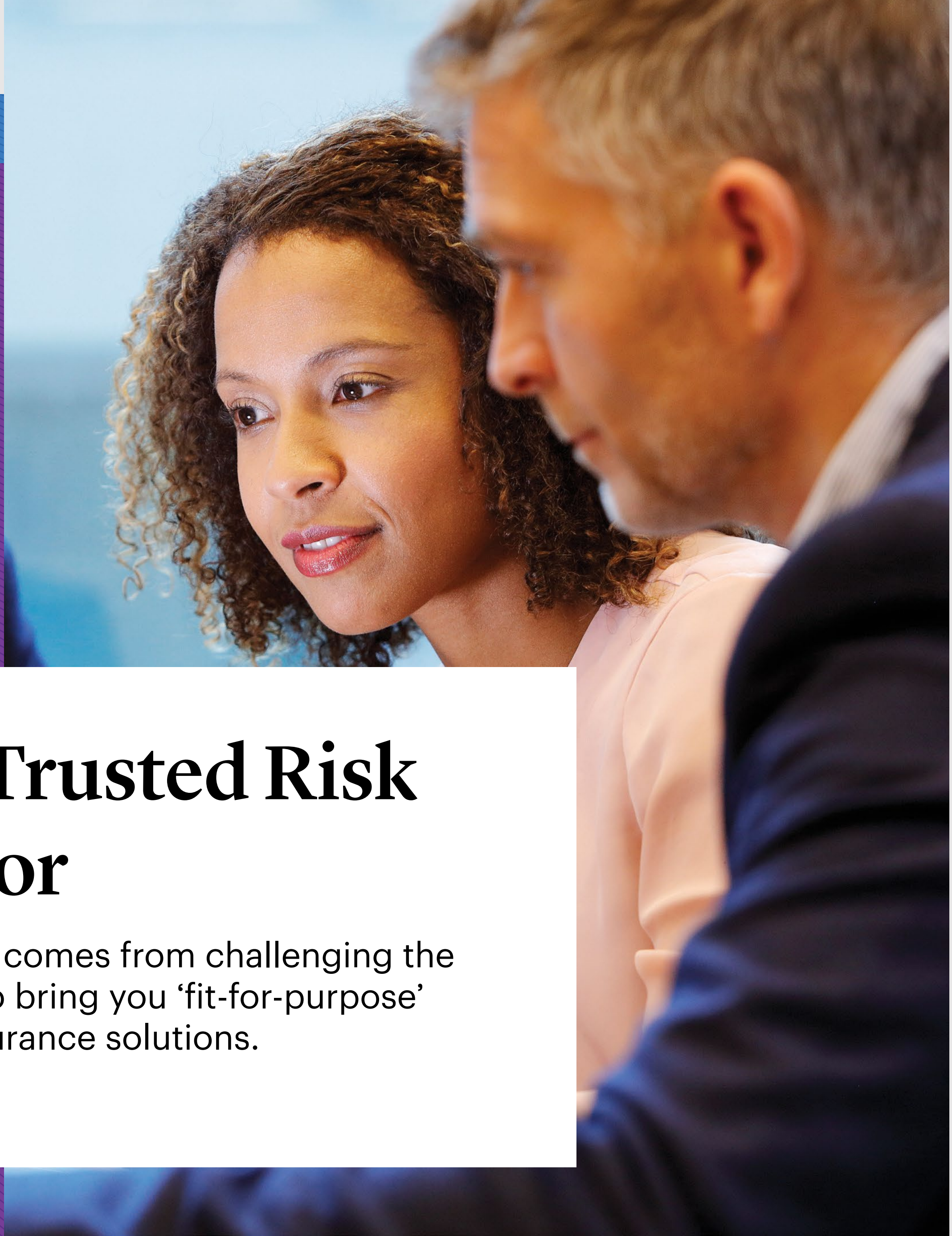
^Dividends and interest payments and repayment of preference shares/loans are not considered for this analysis as the principal amount, or initial investments are not repaid at every instance, and their consideration could skew the analysis.

Breakdown of costs vs. proceeds and number of exits by PE firm size (FUM split), 2023 and 2024 combined*



*Value of costs and proceeds in the analysis includes only those funds where both proceeds and costs were provided by survey respondents. Number of exits presented does not include exits through repayment of preference shares / loans, dividends and interest payments and Other category (i.e., on the same basis as the earlier chart with exit volumes).

Considering the last two years of exits, mid-size firms with FUM of R500m to R2bn, and large firms with FUM of R5bn to R10bn outperformed in terms of their ratio of exits proceeds to cost, with a ratio of 2.3 times and 1.9 times respectively. Mid-size firms with FUM of R2bn to R5bn and mega firms (FUM > R10bn) struggled to generate attractive returns with their exits. The proceeds to cost ratio for both these size firms was at 1.2 times.



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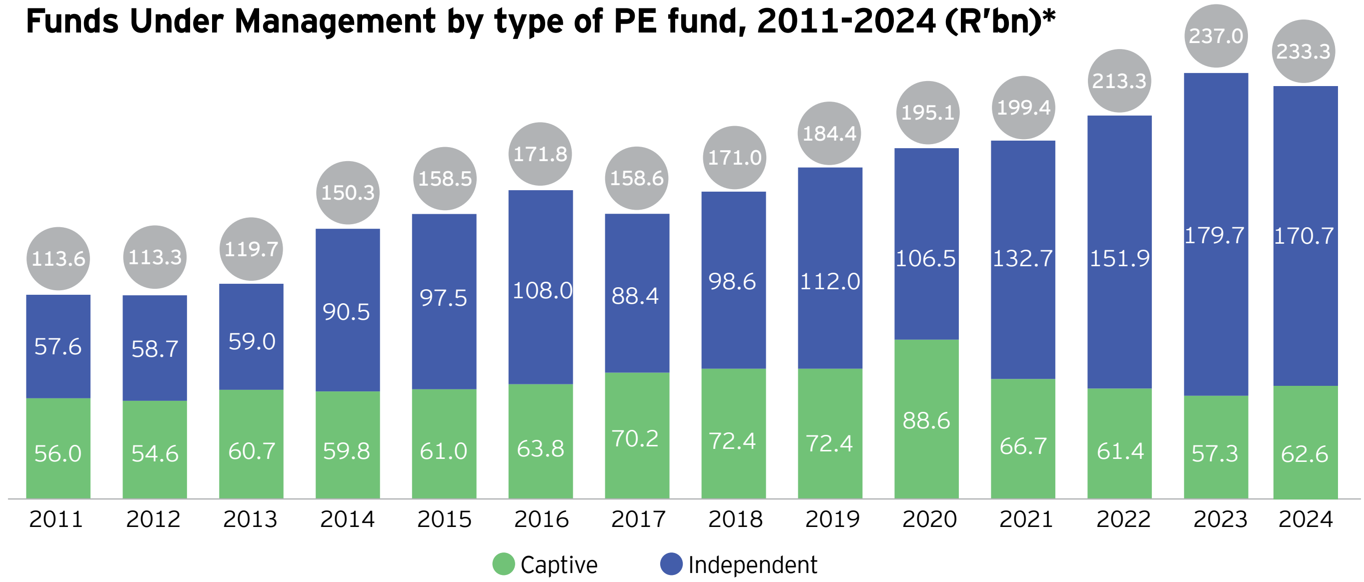
08 Funds Under Management Insights

Funds Under Management by type of PE fund, 2011-2024 (R'bn)*



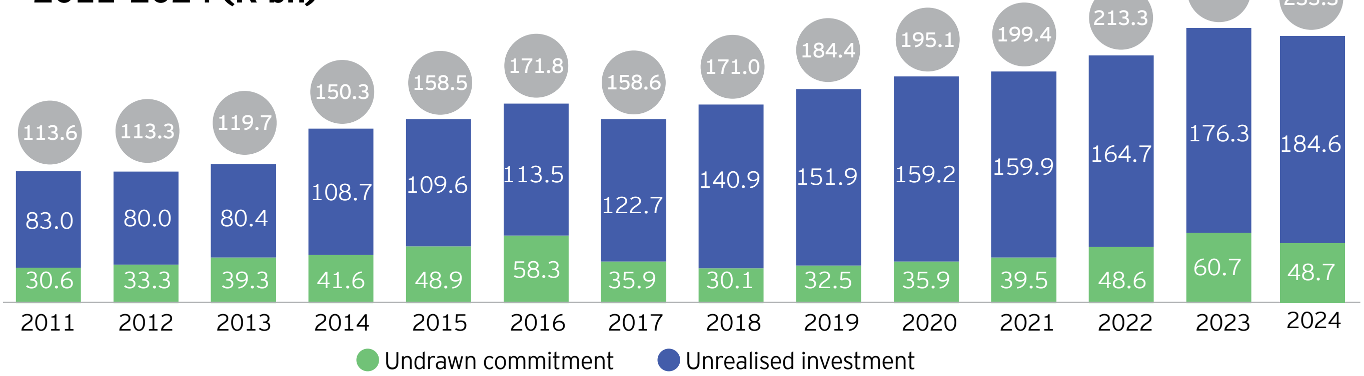
Weak fundraising, continued good exit activity and proceeds returned to investors, culminated in the decline in FUM, which reduced by ~ R4bn (c. 2%), when compared to 2023. Continuous devaluation of the Rand to the USD during 2023 and 2024 helped keep the FUM at a similar level. When expressed in USD at the respective year-end exchange rates, FUM decreased by 4% (FUM in 2023: USD13bn and in 2024: USD12.4b).

When comparing PE firms that participated in the survey in both 2023 and 2024, their FUM declined by 1.4%, thus closely aligned with the overall survey results. Only one-third of PE firms that participated in both the 2023 and 2024 surveys had an increase in their FUM in 2024.

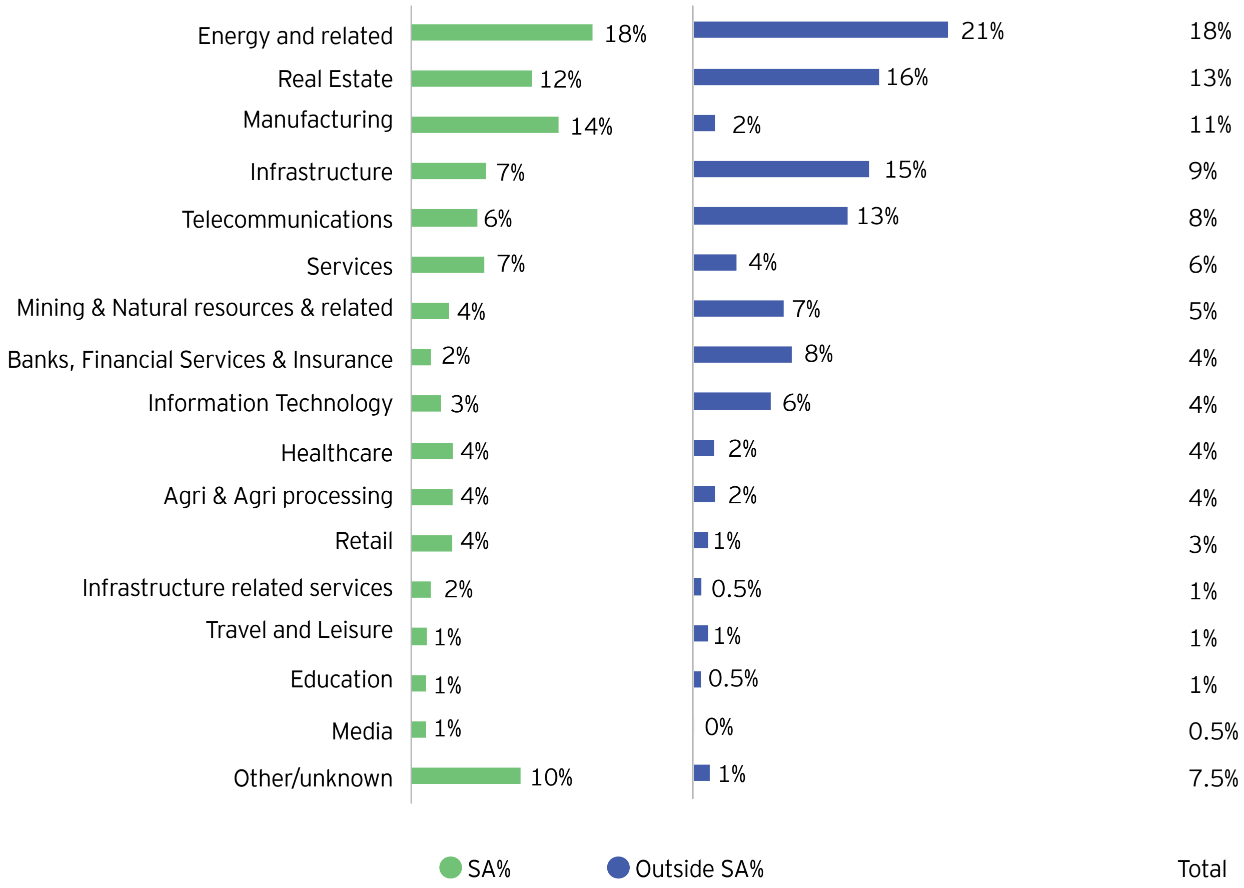
Captives improved their FUM by over R5bn from 2023 – a growth of 9%, while independent PE firms' FUM deteriorated by R9bn – a decline of 5%. Independent PE firms' dependency on third-party investors was detrimental to their fundraising efforts and subsequently caused their FUM to shrink.

High deployment activities resulted in an increase in the share of unrealised investments in FUM, while dry powder reduced by R12bn (19.8%). Despite the strong dealmaking activity, the dry powder in the region remains sufficiently high enough to drive dealmaking in 2025 (dry powder was c. 1.8 times the level of 2024's investments).

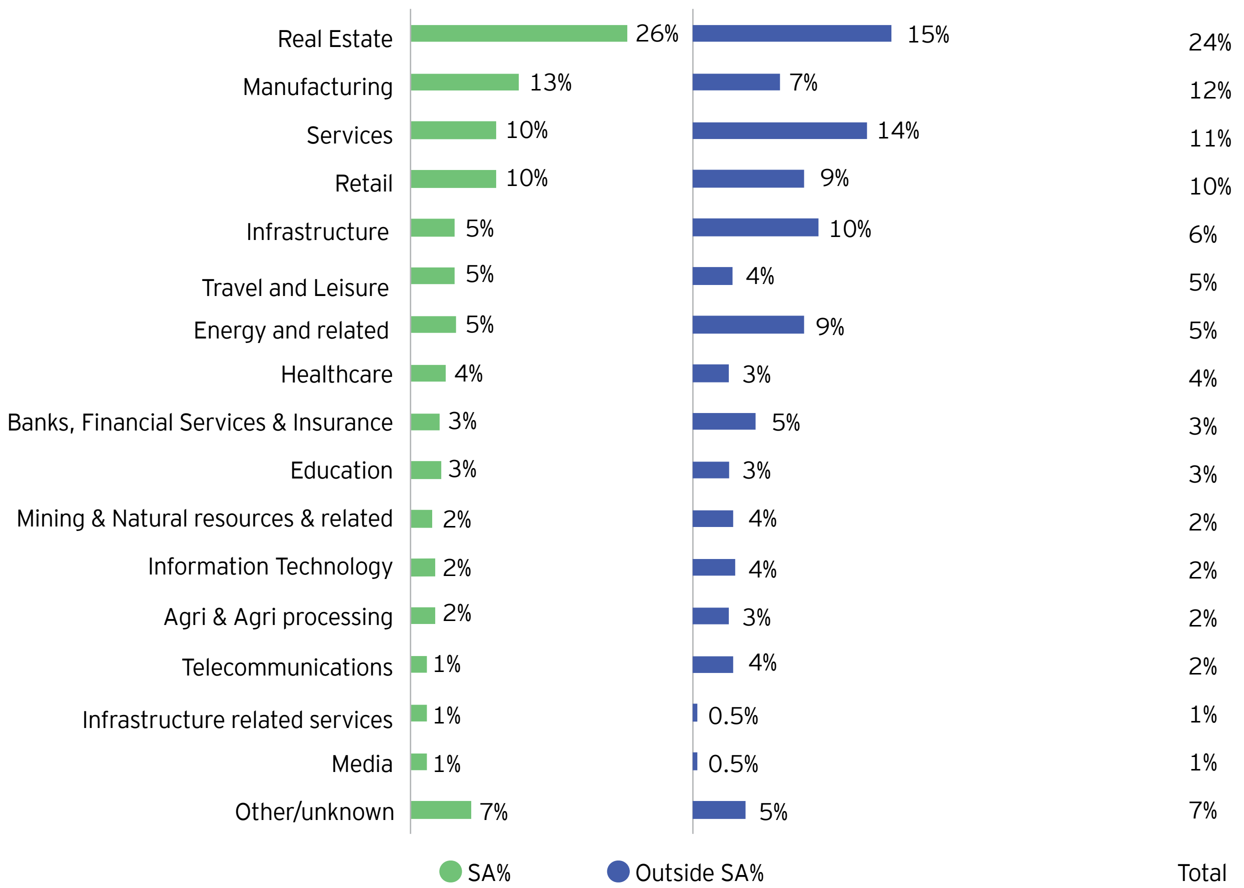
Composition of FUM by amount invested and undrawn commitments, 2011-2024 (R'bn)*



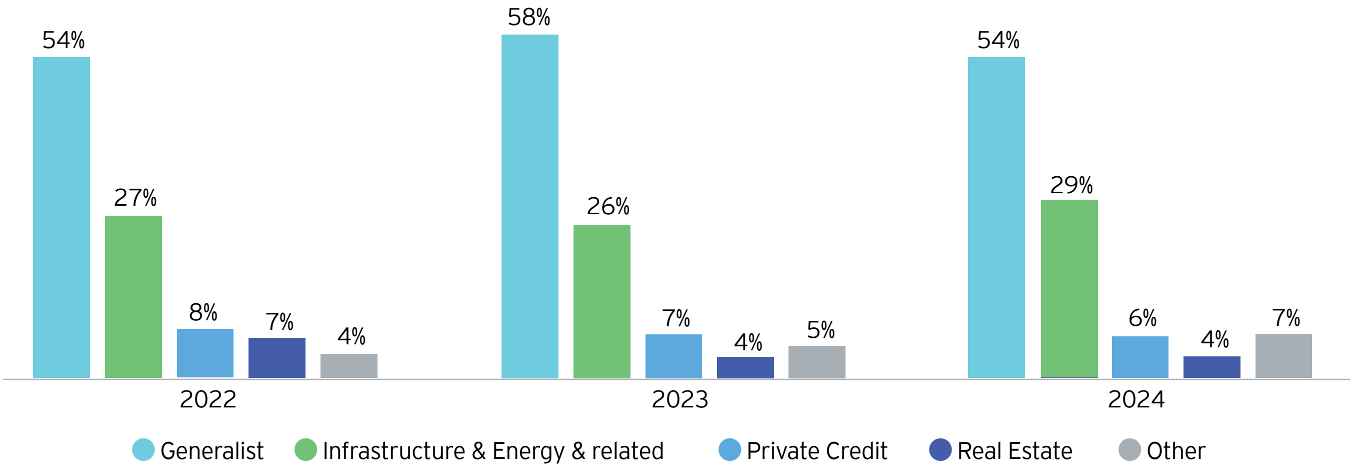
Percentage of unrealised investments by sector, 2024 (by cost)



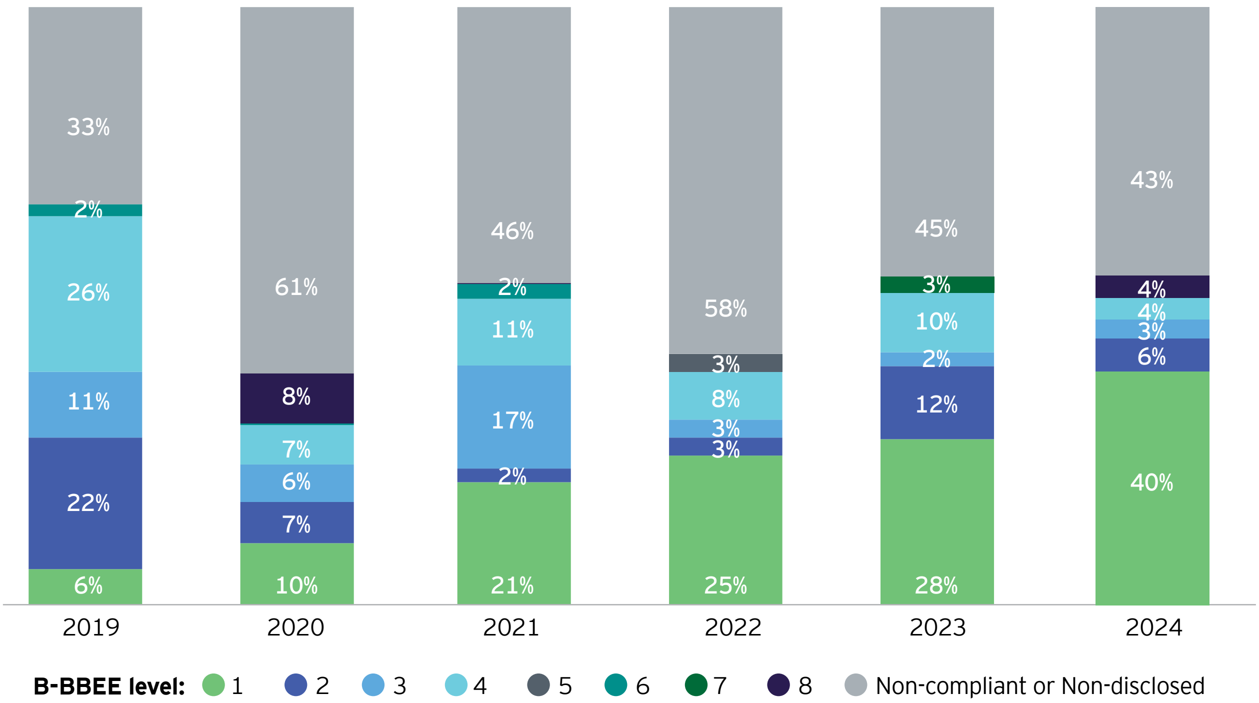
Percentage of unrealised investments by sector, 2024 (by volume)



Composition of FUM by focus of the fund, 2022 - 2024 (% of total)



Composition of FUM by B-BBEE level of fund manager – 2019-2024 (% of total FUM)



09 Appendices

Appendix A: About the survey

The SAVCA 2025 Private Equity (PE) Industry Survey is presented by SAVCA and EY Parthenon. The survey is based on responses from 47 PE firms operating in Southern Africa (which compares to 46 PE firms that participated in last year's survey). The survey covers analyses of the industry's strategic priorities, ESG and impact investing, talent, B-BBEE, fund raising, investment and divestment activity, and Funds Under Management. The data is based on annual calendar year data up to 31 December 2024 (wherever possible). The level of detail that respondents have been able to provide varies and hence the more detailed breakdowns are based on the information available from the survey responses. Where more detailed information has not been provided by selected survey respondents, this is reflected in Other or Unallocated.

In addition to survey results from PE firms, a survey of a selection of Southern African allocators was conducted this year, the first time such a further survey has been done. The survey had participation from six Southern African allocators. The questionnaire comprised elements comparable to the SAVCA PE survey, as well as questions designed specifically for allocators.

SAVCA reviews the report prior to its public release. SAVCA does not have access to any of the individually completed surveys submitted by PE firms and allocators to EY. While care has been taken in the compilation of the survey results, SAVCA and EY do not guarantee the reliability of its sources nor of the results presented. Any liability is disclaimed, including incidental or consequential damages arising from errors or omissions in this report.

Appendix B: data tables

Fundraising

Funds raised by investment destination

R'bn (unless reflecting by number/ volume)	2017	2018	2019	2020	2021	2022	2023	2024
South Africa	3.6	7.1	3.7	11.1	10.2	7.0	10.5	4.6
Outside South Africa	3.9	5.7	18.0	5.8	6.0	12.6	17.6	3.8
Total	**7.5**	**12.8**	**21.7**	**16.9**	**16.2**	**19.6**	**28.1**	**8.4**

Source of funds raised by type of investor and geography

R'bn	2017	2018	2019	2020	2021	2022	2023	2024
Government, aid agencies and Development Finance Institutions (DFIs) – SA	-	-	-	1.3	0.6	0.3	1.1	0.0
Government, aid agencies and DFIs – Non-SA	-	4.5	1.1	4.0	3.2	5.9	11.3	3.0
Corporates – SA	-	1.9	0.1	0.5	0.2	2.0	2.1	0.4
Corporates – Non-SA	-	0.1	-	0.5	-	1.3	2.3	2.2
Pension and endowment funds - SA	-	1.6	1.3	8.9	6.6	3.9	6.2	1.6
Pension and endowment funds – Non-SA	-	-	-	0.3	0.7	0.1	1.2	0.1
Insurance companies / institutions – SA	-	1.8	0.6	0.4	2.6	1.6	0.6	0.6
Insurance companies / institutions – Non-SA	-	-	-	-	0.5	0.0	0.0	0.0
Private individuals and Family offices - SA	-	0.3	0.6	0.1	-	0.0	0.1	0.2
Private individuals and Family offices – Non-SA	-	0.4	1.6	-	-	0.3	1.0	0.0
Banks – SA	-	1.3	1.1	0.1	1.2	0.7	0.3	0.2
Banks – Non-SA	-	-	-	-	-	0.9	0.0	0.0
PE fund of funds - SA	-	0.3	0.3	-	0.4	0.9	0.6	0.0
PE fund of funds – Non-SA	-	0.6	-	0.8	0.2	1.6	0.7	0.1
Disposal proceeds available for investments and other – SA	-	-	3.7	-	0.1	0.1	0.5	0.0
Disposal proceeds available for investments and other – Non-SA	-	-	11.3	-	-	0.0	0.1	0.0
Total	**-**	**12.8**	**21.7**	**16.9**	**16.2**	**19.6**	**28.1**	**8.4**
South Africa total	3.6	7.2	7.7	11.3	11.6	9.4	10.5	3.1
Non-South Africa total	3.9	5.6	14.0	5.6	4.6	10.2	17.6	5.3
Total	**7.5**	**12.8**	**21.7**	**16.9**	**16.2**	**19.6**	**28.1**	**8.4**

Investments

Value of investments													
R'bn (unless reflecting by number/volume)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New investments	6.1	7.6	7.7	7.8	10.1	18.9	14.9	18.4	10.2	10.6	10.6	11.7	19.7
Follow-on investments	5.0	5.8	6.2	4.7	5.4	12.2	20.5	7.0	4.3	2.8	4.6	4.0	6.9
Others	-	-	-	-	-	-	-	-	-	1.5	-	-	-
Total investments	**11.1**	**13.4**	**13.9**	**12.5**	**15.5**	**31.1**	**35.4**	**25.4**	**14.5**	**14.9**	**15.2**	**15.7**	**26.6**

Number of investments (excl. Business Partners)						
	2019	2020	2021	2022	2023	2024
New	132	73	53	72	66	84
Follow-on	117	96	82	117	80	144
Total	**249**	**169**	**135**	**189**	**146**	**228**

Value of investments by stage						
R'bn (unless reflecting by number/volume)	2019	2020	2021	2022	2023	2024
Expansion and development	13.2	6.1	7.6	10.2	8.0	18.8
Buy-out and replacement capital	5.2	6.6	5.2	3.8	6.2	7.3
Start up and early stage	7.0	1.8	0.6	1.1	1.5	0.5
Unclassified	-	-	1.5	-	-	-
Total	**25.4**	**14.5**	**14.9**	**15.2**	**15.7**	**26.6**

Exits

Exits													
Funds returned to investors by nature (R'bn)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sale to another PE firm or financial institution	-	-	-	-	-	-	0.9	0.6	4.5	1.6	1.5	4.5	5.7
Trade sale	-	-	-	-	-	-	5.6	4.2	1.8	1.4	7.7	10.1	3.8
Repayment of preference shares / loans	-	-	-	-	-	-	4.1	4.5	0.5	1.6	4.9	1.2	3.3
Dividends and interest payments	-	-	-	-	-	-	2.5	1.4	0.3	1.1	4.5	4.1	2.8
Sale to management with no equity involvement of another financial institution	-	-	-	-	-	-	-	0.3	-	0.1	0.2	-	0.3
Other	-	-	-	-	-	-	2.5	1.0	2.4	3.3	2.0	1.4	1.2
Total	**7.0**	**9.8**	**11.0**	**8.2**	**18.3**	**17.6**	**15.6**	**12.0**	**9.5**	**9.1**	**20.8**	**21.3**	**17.1**

Number of exits by type							
	2018	2019	2020	2021	2022	2023	2024
Sale to another PE firm or financial institution	7	10	7	14	12	13	19
Trade sale	17	13	6	8	17	31	15
Write-offs - including sales for a nominal amount	-	-	-	2	2	-	8
Sale to management with no equity involvement of another financial institution	2	3	-	2	5	-	5
Share buy-back by portfolio company	3	2	1	1	3	1	3
Sale of listed shares (e.g., non-disposal on IPO/listing)	-	2	-	1	1	-	1
Listing or IPO	-	-	-	-	-	-	1
Total number of exits (excluding Business Partners)	**29**	**30**	**14**	**28**	**40**	**45**	**52**

Funds Under Management

Funds Under Management by type of PE fund													
R'bn	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Captive	54.6	60.7	59.8	61.0	63.8	70.2	72.4	72.4	88.6	66.7	61.4	57.3	62.6
Independent	58.7	59.0	90.5	97.5	108.0	88.4	98.6	112.0	106.5	132.7	151.9	179.7	170.7
Total	**113.3**	**119.7**	**150.3**	**158.5**	**171.8**	**158.6**	**171.0**	**184.4**	**195.1**	**199.4**	**213.3**	**237.0**	**233.3**

Funds Under Management by type of PE fund													
R'bn	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Undrawn Commitments	33.3	39.3	41.6	48.9	58.3	35.9	30.1	32.5	35.9	39.5	48.6	60.7	48.7
Unrealised Investment	80.0	80.4	108.7	109.6	113.5	122.7	140.9	151.9	159.2	159.9	164.7	176.3	184.6
Total FUM	**113.3**	**119.7**	**150.3**	**158.5**	**171.8**	**158.6**	**171.0**	**184.4**	**195.1**	**199.4**	**213.3**	**237.0**	**233.3**

Appendix C: Glossary of terms

Allocators	The investors who provide capital to the private market funds such as insurance companies, pension fund amongst others
B-BBEE	Broad-Based Black Economic Empowerment as defined in the Financial Sector Charter, means the economic empowerment of all black people, including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies
Buy-out	Leveraged and/or management buy-out or buy-in
CAGR	Compound Annual Growth Rate
Captive funds	Funds making investments mainly on behalf of a parent or group, typically an insurance company, bank, or institutional asset manager, often from an indeterminate pool of money.
DE&I	Diversity, equity, and inclusion
Development capital	Funding for growth and expansion of a company
DFIs	Developmental Finance Institutions
Denominator effect	The denominator effect occurs when one portion of a portfolio decreases dramatically, diminishing the total value of the portfolio. As a result, any segments of the portfolio that did not decrease in value now comprise a larger percentage of the total.
ESG	Environmental, Social and Governance
Follow-on investments	Investments into companies where at least one round of funding has already been made
FUM	Funds Under Management
GDP	Gross Domestic Product
Independent fund	PE funds where funds were raised mainly from third party investors

IPO	Initial public offering: when a company's equity is offered and listed on a formal stock exchange
Late stage funds	Funds focused on buyout, replacement capital and growth capital
Non-controlling interest	An ownership position wherein a shareholder owns less than 50% of outstanding shares and does not have control over decisions
PIPE	A private investment in a public equity (PIPE) deal is a way for publicly traded companies to raise private capital quickly in a difficult market environment.
Replacement capital	Funding for the purchase of existing shares in a company from other shareholders, whether individuals, other venture-backers, or the public through the stock market. The proceeds of replacement capital transactions are generally paid to the previous owners of the entity.
SAVCA	The Southern African Venture Capital and Private Equity Association
Share buy-back by portfolio company	The practice where companies decide to purchase their own share from their existing shareholders/investor
Start-up and early-stage funding	Funding for new companies being set up or for the development of those which have been in business for a short time
Trade sale	Sale of a business to an industry third party
UK	United Kingdom
Undrawn commitment	Capital committed to a PE fund, but not yet drawn down for investment purposes
US	United States of America

Appendix D: Respondents*

PE firm	Website
Acorn Private Equity	www.acornagri.co.za
Africa Lighthouse Capital	www.africalighthouse.com
AfricInvest	www.africinvest.com
Agile Capital	www.agilecapital.co.za
AIH Capital - AWCA Investment Holdings	www.awcainvest.co.za
AIIM Africa	www.aiimafrica.com
Alt Capital	www.altcapitalpartners.co.za
Altvest Capital	www.altvestcapital.co.za
Ascension Capital	www.ascensioncapital.com
Ata Capital	www.atacapital.co.za
Business Partners	www.businesspartners.africa
Capitalworks	www.capitalworksip.com
Convergence Partners	www.convergencepartners.com
Ditiro Capital	www.ditirocapital.co.za
The Rohatyn Group (Ethos & Ninety One)	www.rohatyngroup.com
Heritage Capital	www.heritagecapital.co.za
IDC	www.idc.co.za
IDF Capital	www.idf.co.za
IJG Capital	www.ijg.net
Infra Impact Investment Managers	www.infraimpact.co.za
Inspired Evolution	www.inspiredevolution.co.za
Ke Nako Capital	www.kenakocapital.co.za
Mahlako	www.mahlako.co.za
Medu Capital	www.meducapital.co.za

Mergence Investment Managers	www.mergence.co.za
Metier	www.metier.co.za
Nedbank PE	www.nedbank.co.za
Novare	www.novare.com
Old Mutual Alternatives	www.oldmutualalternatives.com
Pan-African Private Equity (PAPE)	www.papefunds.co.za
Pembani Remgro	www.pembani-remgro.com
Phatisa	www.phatisa.com
Revego	www.revegoenergy.com
RH Managers	www.rhmanagers.co.za
RMB Corvest	www.rmbcorvest.co.za
RMB Ventures	www.rmbventures.co.za
SA SME Fund	www.sasmefund.co.za
Sanari Capital	www.sanari.co.za
Sanlam PE	www.sanlaminvestments.com
Senatla Capital	www.senatlacapital.com
Tamela	www.tamela.co.za
Third Way Core Plus	www.thirdway.co.za
Vantage Capital	www.vantagecapital.co.za
Verdant Capital	www.verdant-cap.com
Vuna Partners	www.vunapartners.co.za

* The above list of respondents is only those who confirmed that their name could be included in a list of respondents. Other respondents are anonymous.

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About SAVCA

The Southern African Venture Capital and Private Equity Association (SAVCA) is the industry body and public policy advocate for Private Equity and venture capital in Southern Africa. SAVCA represents in excess of R200 billion in assets under management through circa 180 members that form part of the Private Equity and venture capital ecosystem. SAVCA promotes the Southern Africa venture capital and Private Equity asset classes on a range of matters affecting the industry, providing relevant and insightful research, offering training on Private Equity and creating meaningful networking opportunities for industry players.

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