2017 Africa Capital Markets Watch



28

IPOs in 2017

134 IPOs between 2013 and 2017

$2.9bn

IPO proceeds raised in 2017

$9.1bn proceeds raised between 2013 and 2017

93

FOs in 2017

385 FOs between 2013 and 2017

$10.6bn

FO proceeds raised in 2017

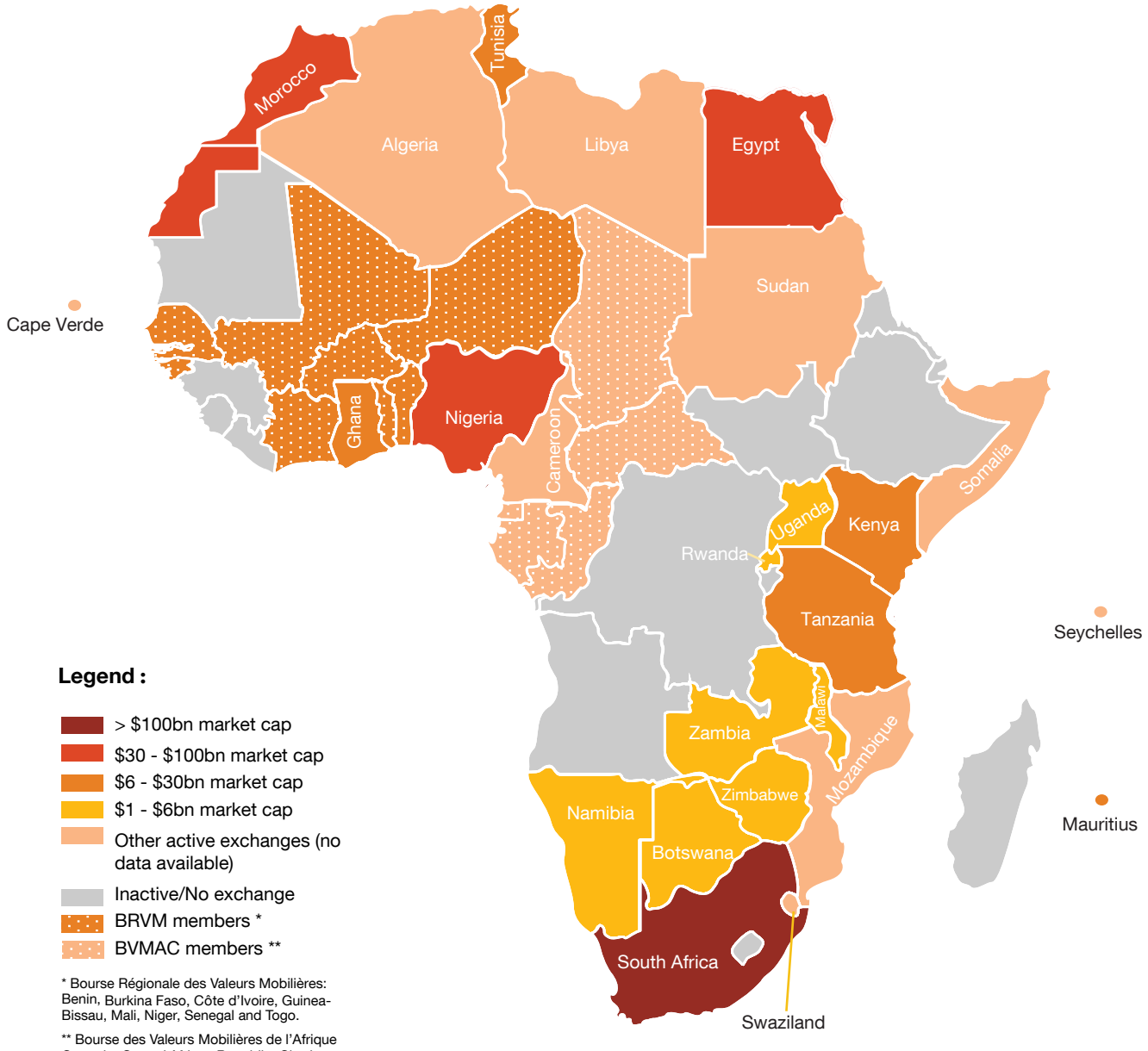
$43.6bn proceeds raised between 2013 and 2017

March 2018

pwc

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Overview of African stock exchanges at 29 December 2017



Source: World Federation of Exchanges, Bloomberg, stock exchanges

About 2017 Africa Capital Markets Watch

This report lists all new primary market equity initial public offerings (IPOs) and further offers (FOs) by listed companies, in which capital was raised on Africa's principal stock markets and market segments (including exchanges in Algeria, Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Malawi, Mauritius, Mozambique, Morocco, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe).

The report also includes IPO and FO activity of African companies[1] on international exchanges or non-African companies on African exchanges, on an annual basis. Movements between markets on the same exchange are excluded.

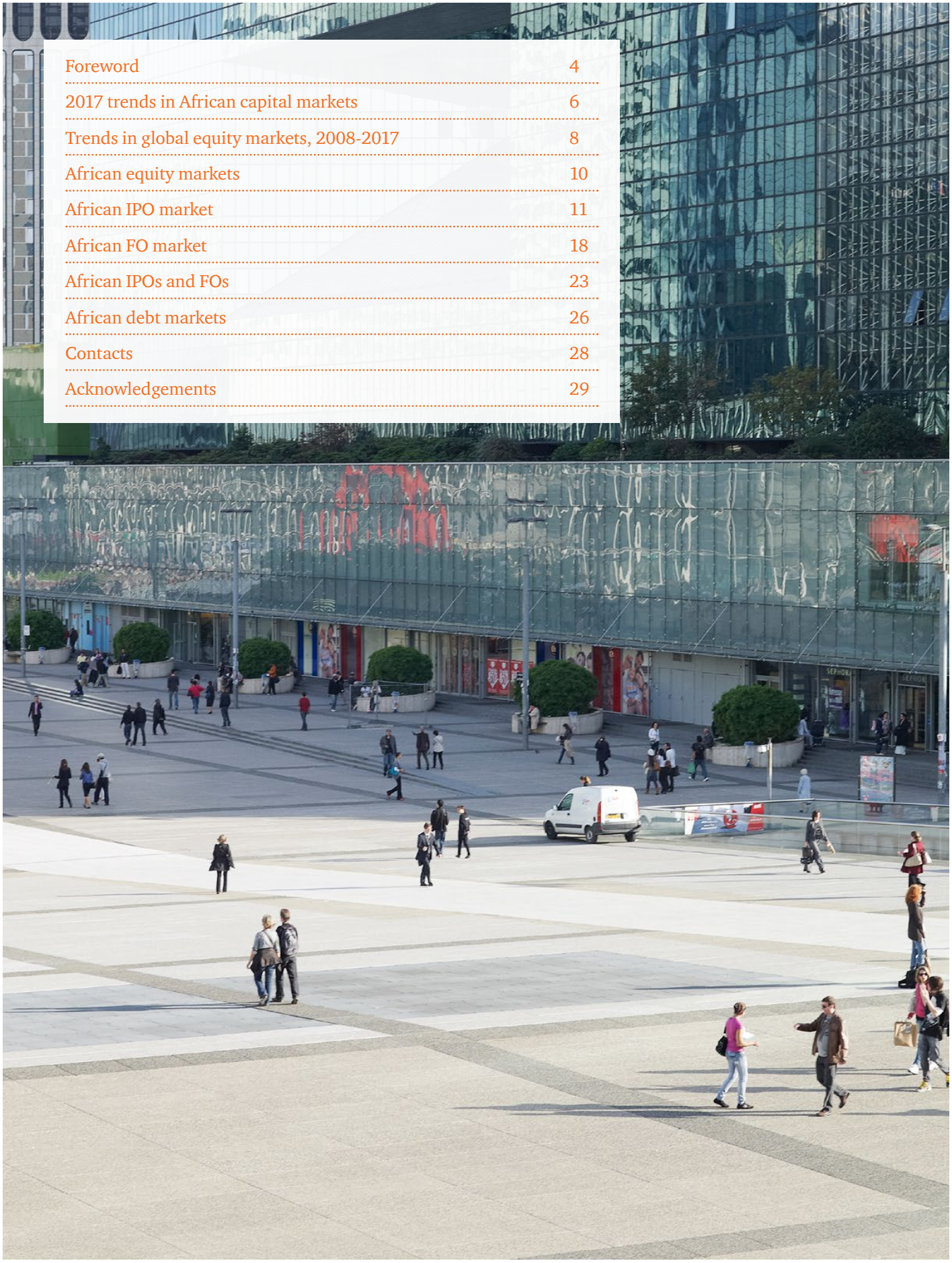
This year's report includes an analysis of non-local currency high-yield (HY) and investment grade (IG) debt capital markets activity by African companies on international exchanges.

The report covers activity up to 29 December 2017 and captures deals based on their pricing date. All market data was sourced from Dealogic, Bloomberg, Thomson Reuters and the stock markets themselves, unless otherwise stated, and has not been independently verified by PwC.

[1]Companies incorporated in Africa or with primarily African operations or with an African parent

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Foreword



Welcome to PwC's 2017 Africa Capital Markets Watch, our fourth annual publication examining African debt capital markets (DCM) and equity capital markets (ECM) transactions.

ECM transactions included in our report comprise capital raising activities[1], whether IPOs or FOs, by African companies on exchanges worldwide and those by non-African companies on African exchanges. DCM transactions analysed include debt funding raised by African companies, whether HY or IG, in international markets; it should be noted that the classification of HY and IG is based on foreign currency credit rating assessments. This report does not analyse domestic local currency debt activity in detail.

Between 2013 and 2017, African ECM activity comprised 134 IPOs and 385 FOs, with 2015 accounting for the largest number of IPOs in the period, at 32, and 2017 and 2015 each accounting for the largest number of FOs in the period, at 93. As noted in our 2016 report, 2016 was a challenging year for capital markets activity due to emerging economic uncertainty and political upheaval around the globe. While the realities of this new global landscape settled in 2017, companies in Africa returned to the capital markets under the positive impact of commodity stabilisation in economies such as Côte d'Ivoire and Nigeria – which emerged from five successive quarters of gross domestic product (GDP) declines – and resilience in the face of unpredictable political circumstances in South Africa. As discussed in greater detail below, South Africa endured a roller coaster year politically, with further surprise moves made to key Cabinet ministries and electioneering fallout in the months leading up to the December 2017 elective conference of the governing African National Congress (ANC).

While levels of market capitalisation for many of Africa's exchanges remain low in a global context, efforts have continued to deepen liquidity and provide investment opportunities for foreign and domestic investors alike. Among others, the Rwandan, Namibian and Dar es Salaam stock exchanges, and the Bourse Régionale des Valeurs Mobilières (BRVM) have this year made great strides in the introduction of new entrants into their markets. In 2017, Namibia showed renewed IPO activity with the $13.5-million listing of Letshego Holdings (Namibia) Ltd, a regional microfinance institution headquartered in Botswana, and the $7.5-million IPO of Nimbus Infrastructure Ltd, the first special-purpose acquisition (SPAC) listing in Namibia. Similarly, the Dar es Salaam Stock Exchange (DSE) saw its largest listing in terms of value in the history of the exchange. In the Francophone Central Africa region, the heads of state of the member countries of the Economic and Monetary Community of Central Africa (CEMAC) took steps towards further regional integration in late 2017, with an agreement to combine the activities of Cameroon's Douala Stock Exchange (DSX) and the BVMAC. This will help build a more liquid and efficient market in the CEMAC region, similar to that of Francophone West Africa's BRVM.

In respect of 2017 DCM activity, non-local currency corporate issuances totalled $7.5 billion, an increase of 68% in terms of value and 110% in terms of volume over the prior year, with several large first-time issuers tapping into a market with sustained appetite for emerging market yields. Most of this funding was targeted at refinancing existing debt, but there were also instances of these proceeds being put to use for acquisitions or strategic capital expenditure. We estimate that the local currency corporate debt market is larger than reported, though a comprehensive

[1] Data excludes listings with no capital raised



source of this information remains elusive. According to available Dealogic data, corporate local currency debt issuances between 2013 and 2017 totalled $6.5 billion, primarily dominated by South African and Nigerian issuers. However, other active domestic bond markets that have attracted both corporate and local sovereign issues include Morocco, Ghana, Kenya, Tunisia, Botswana and the BRVM-member countries.

In terms of what lies ahead, PwC's 21st CEO Survey revealed that 57% (41% from Africa) of CEOs have a more confident outlook about global economic growth prospects over the next 12 months, an increase from 29% (30% from Africa) in 2016, though African CEOs acknowledge that growth may be hampered by social instability (50% of respondents), the increasing tax burden (49% of respondents), and over-regulation (48% of respondents). In addition to growing populist movements across the continent and the globe, presidential elections scheduled to take place in nine African countries in 2018 may factor into this instability this year. Foreign exchange volatility remains a primary concern among CEOs in Africa, with 45% reporting apprehension around the impact of exchange rates on investment and growth, though some improvement was observed in exchange rate movements for currencies such as the Nigerian naira and the Egyptian pound against the US dollar in 2017, and the value of the South African rand showed significant improvement subsequent to the December 2017 elective conference.

In terms of capital market activity, we expect that the recovery seen in 2017 will gain momentum in 2018, including an increase in cross-border ECM activity for regional players looking to compete globally. We also note the continued effort of governments to privatise through the capital markets, or requiring certain key industry players to list in order to contribute to the further deepening of the African capital markets. This is an ongoing effort that we do not expect will slow in the near term. In the debt capital markets, despite expectations of rate hikes in the US and Europe, we expect high-yielding non-local currency issues from Africa to continue to appeal to global investors, and an increase in funding raised by financial services firms seeking to fill gaps in required capital.

With increased scrutiny from local regulators, as seen recently in Tanzania, and given the recent challenges experienced by listed companies globally, preparing for and achieving a successful offering is a complex and time-consuming process. However, the benefits achieved post-listing through improved governance, transparency, access to global capital and exposure, among many others, outweigh the costs significantly in our experience. Companies should start the process early with the help of independent capital markets advice in order to manage the risks associated with the capital raising process.

We hope you find our fourth series on African capital markets useful and enlightening.

2017 trends in African capital markets

Increase in ECM proceeds evidence of recovery of African capital markets

Overall African ECM transaction volume and value improved in 2017 over 2016. In terms of value, 2017 saw the largest IPO over the trailing five-year period, and an increase in the total value of ECM transactions of 49% between 2016 and 2017 in US dollar terms.

Similar to trends in the IPO markets in Europe and America, which recovered in 2017, with the US seeing its largest number of IPOs since 2015, the African equity markets also recorded improvements in 2017 in the volume of IPOs, at 28, up 17% over the prior year's four-year low. The improvement in 2017 was largely driven by activity in South Africa, notably in the second half of the year, with other significant contributors including Egypt and Tunisia, and renewed listing activity in Namibia, which saw two IPOs in 2017. 2017 also saw the single largest IPO by value over the past five years, with the spin-off of Steinhoff International's (Steinhoff) retail division, Steinhoff Africa Retail (STAR) raising $1.2 billion on the Johannesburg Stock Exchange (JSE) in September 2017. An active player in both the equity and debt capital markets in recent years, Steinhoff is currently mired in an accounting scandal and ongoing investigations.

FO volume and value in Africa also exceeded 2016 levels. In June 2017, Barclays Africa Group raised $2.9 billion in a further sell-down by Barclays plc, the single largest FO by value over the past five years in Africa. Other notable FOs in 2017 include the $1.1 billion sell-down of Vodacom by UK-based Vodacom Group and the $1.0 billion rights offer by Sibanye Gold to finance its acquisition of Stillwater Mining Company, making the combined company the third-largest producer of palladium and platinum in the world.

We are optimistic about the pipeline of companies seeking to access the capital markets in 2018, including cross-border IPOs of African companies, given encouraging indicators in large markets such as South Africa, Egypt, and Nigeria, and the continued economic growth in East Africa and the Francophone West African countries.

Capital markets activity as a barometer of economic and political stability

GDP growth in South Africa for the 2017 year is expected to be 0.9%, moving towards an expected 1.6% by 2019,[2] and breaking a cycle of several years of declining growth figures. This growth figure reflects that for a substantial part of the year, South Africa continued to experience self-inflicted political turmoil, prolonging economic instability and leading to a credit downgrade to a sub-investment grade by rating agencies Standard & Poor's and Fitch. The results of the ANC's December 2017 elective conference, along with the progression of developments since that conference, including the resignation of beleaguered former president Jacob Zuma and election of Cyril Ramaphosa as president on 15 February 2018, have revived confidence in the South African economy and raised hopes of an end to policies and corruption that have hampered both local and foreign investment in recent years. 2018 will be critical for South Africa to demonstrate its commitment to structural reforms and to tackling issues that have created a drain on public funds and deterred growth. Despite this backdrop during 2017, the South African capital markets remained active, indicative of the resilience of its domestic corporate community and investor base.

Elsewhere in the region, Zimbabwe also experienced a peaceful transition of leadership with the resignation of former president Robert Mugabe in November 2017 after decades of rule. Many look to this change in leadership as an overdue opportunity to bring renewed stability to a market plagued for years by policy-driven economic hardship. During 2017, the Zimbabwe Stock Exchange (ZSE) indices rode the highs and lows of the country's political drama and its resurgent currency shortage; despite these challenges, Zimbabwean companies stayed active in 2017, with FO proceeds raised on the ZSE by Econet Wireless Zimbabwe and First Mutual Holdings of $58.3 million and $17.3 million, respectively, and the cross-border IPO of Brainworks Limited, the first Zimbabwean company to have a primary listing on the JSE.

In Nigeria, economic diversification has been a key priority to manage volatility introduced by commodity price fluctuation. In the second quarter of 2017, Nigeria's economy emerged from a recession after five consecutive quarters of negative growth. Several key policy actions such as the opening of the investors and exporters foreign exchange window (I&E window) in April 2017 by the Central Bank of Nigeria built some confidence and attracted foreign portfolio investors back into the capital markets. According to FMDQ OTC Securities Exchange, turnover in the I&E window increased from $0.6 billion in April 2017, when it was opened, to $3.3 billion in December 2017. Total turnover in 2017 hit $25.6 billion as at December 2017. While no IPO capital has been raised on the Nigerian Stock Exchange or by Nigerian companies abroad since the January 2015 Lagos IPO of Transcorp Hotels, we anticipate the stabilised environment to foster a more active 2018.

Elsewhere on the continent, the performance of economies is naturally dominated by local stories. In Algeria, for instance, the government has adopted a growth plan focusing on its private sector, presumably contributing to the decline in public ECM activity on the Algiers Exchange since the 2016 IPO of Biopharm. Morocco has experienced improved performance in its agriculture sector following a 2016 drought and has had significant government support

[2]South African Reserve Bank (SARB)

for renewable energy development projects. Morocco's King has also undertaken several cross-investment agreements with other African countries in the agricultural, energy, and financial sectors to spur economic activity in the country. Activity in the Moroccan capital markets in 2017 included two FOs by companies in the resources and consumer goods industries. Egypt's markets have also reaped benefits from a comparative improvement in its macroeconomic and political environment from prior years; the Egyptian Exchange (EGX) posted 13 FOs and 4 IPOs in 2017, a 70% increase in overall ECM transaction volume over 2016.

Regulatory changes contributing to increased capital markets activity

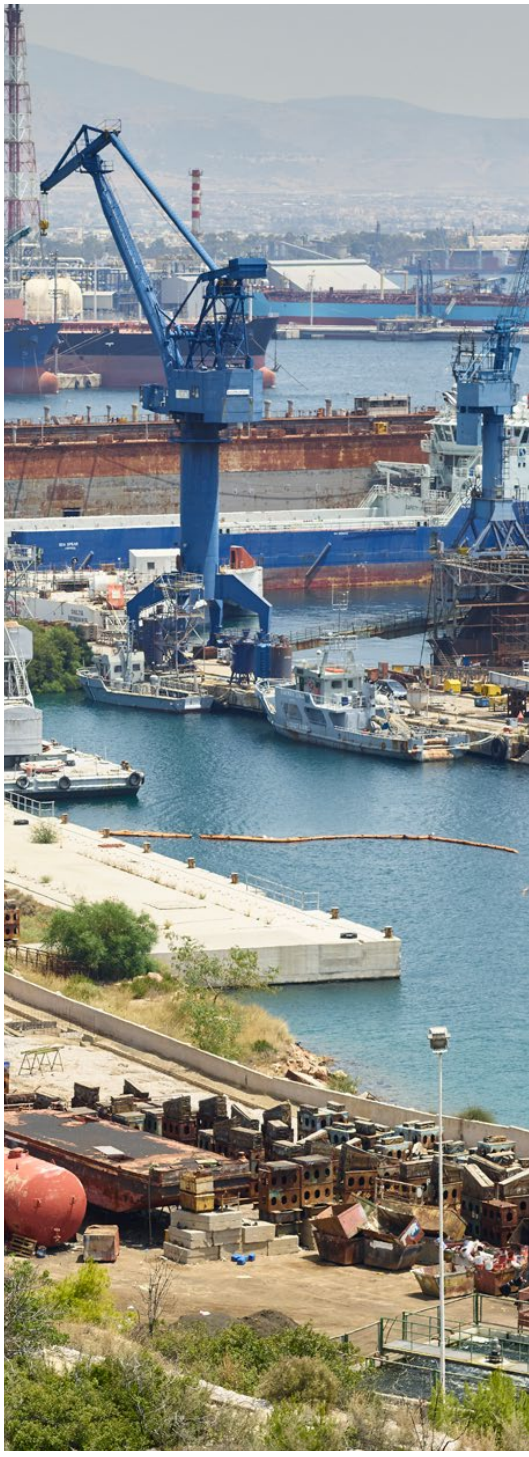
A persistent trend from prior years is the encouragement (or mandate) by regulators in some African countries for companies in specific sectors to list shares on their domestic stock exchanges. In Tanzania, the requirement for telecommunications companies to list their shares led to the single largest IPO in the history of the DSE with the IPO of Vodacom Tanzania this past year, which raised $212.1 million. While no other telecoms company has listed on the DSE since Vodacom Tanzania, recent reports indicate that the remaining companies in that industry are in the process of preparing for listings in 2018. In addition, we continue to note the influence of government privatisation initiatives on the capital markets. In 2017, the Ivorian government approved the sale of the state's remaining 10% stake in NSIA Banque Côte d'Ivoire on the BRVM, and the Rwandan government sold 19.8% of its stake in I&M Bank on the Rwandan Stock Exchange. Government policy in this regard over the past few years has resulted in positive steps to deepen the liquidity of local capital markets; while we expect this proactive policymaking to continue in markets in East and West Africa, the practicalities of effecting these initiatives have proven to take time in several jurisdictions.

Enhanced regulatory capital requirements have also driven financial services companies to access both the debt and equity capital markets over the past year. Several banks in West Africa, including Ecobank Côte d'Ivoire and NSIA Banque Côte d'Ivoire, have raised equity capital on the BRVM this past year in order to fund expansion plans and improve their capital structure to align with the new capital adequacy requirements passed in the West African Economic and Monetary Union (also known as UEMOA in French). Similarly, Union Bank of Nigeria completed an FO on the Nigerian Stock Exchange which, among other uses, raised $138.4 million to bolster its balance sheet. We expect this trend to continue into 2018 as institutions align to new capital adequacy regimes and enhancements to loan loss provisioning methodologies.

Rise of junior boards, new exchanges, and listing support programmes to attract SMEs

2017 brought with it greater focus by exchanges on small and medium-sized enterprises (SMEs) with the introduction of junior or alternative boards targeting SME activity. The BRVM, for instance, has now introduced a junior board aimed at boosting SME financing and has also joined the London Stock Exchange's (LSE's) ELITE programme, which targets SMEs for development and capital raising support. The Bourse de Casablanca joined ELITE in 2016 and has since introduced four cohorts of 48 companies into the programme.

In South Africa, the entry of four new exchanges in 2017 altered the South African listing environment. Since our publication last year, ZARX, 4AX, A2X and Equity Express Securities Exchange (EESE) have launched their trading platforms, increasing local competition for listings and offering a regulated environment for entities and restricted-trading programmes such as black economic empowerment (BEE) structures that may have previously traded over the counter. While these new boards have welcomed a number of listings during 2017 and expect an active 2018, listings thus far have been technical in nature, with no new equity proceeds raised.

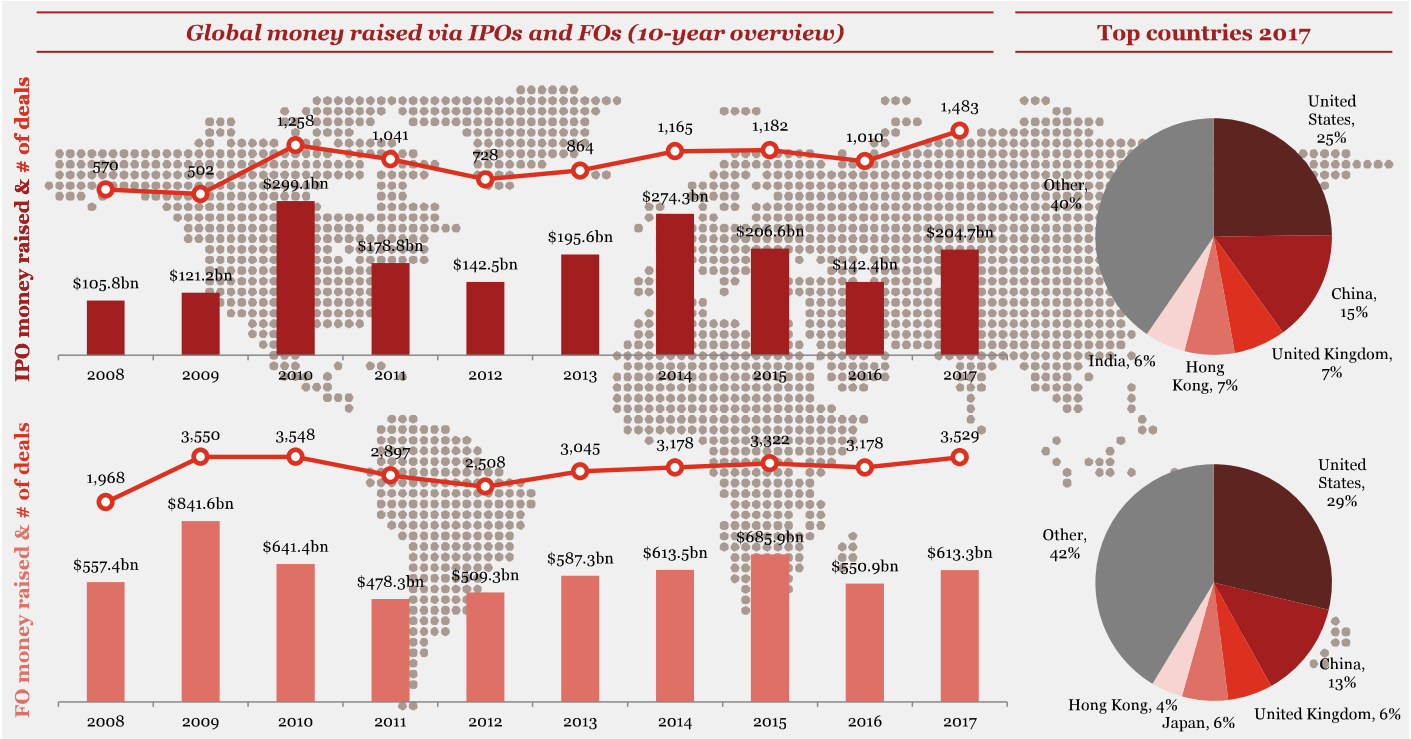


Trends in global equity markets, 2008-2017

As noted in PwC's IPO Watch Europe 2017, launched in January 2018, the New York Stock Exchange (NYSE) led the world in terms of value of IPOs in 2017, followed by the Shanghai and Hong Kong exchanges. Among the top ten global IPOs in 2017, two took place on the NYSE, five were on European exchanges, and three were on Asian exchanges, including the Bombay Stock Exchange. The US attracted almost half of all cross-border IPOs globally, led by Chinese companies. The LSE was second in cross-border IPO activity with €3 billion in proceeds raised, including the first ever Turkish business to list on the LSE Main Market.

The global outlook for 2018 remains positive across most markets given the momentum from 2017, with the US remaining resilient, Europe enjoying economic stability, Asia featuring strongly in global activity, and emerging markets such as those in Africa seeing significant increases in activity after a couple of years of reduced transaction levels.

Figure 1: Global money raised via IPOs and FOs, 2008 - 2017



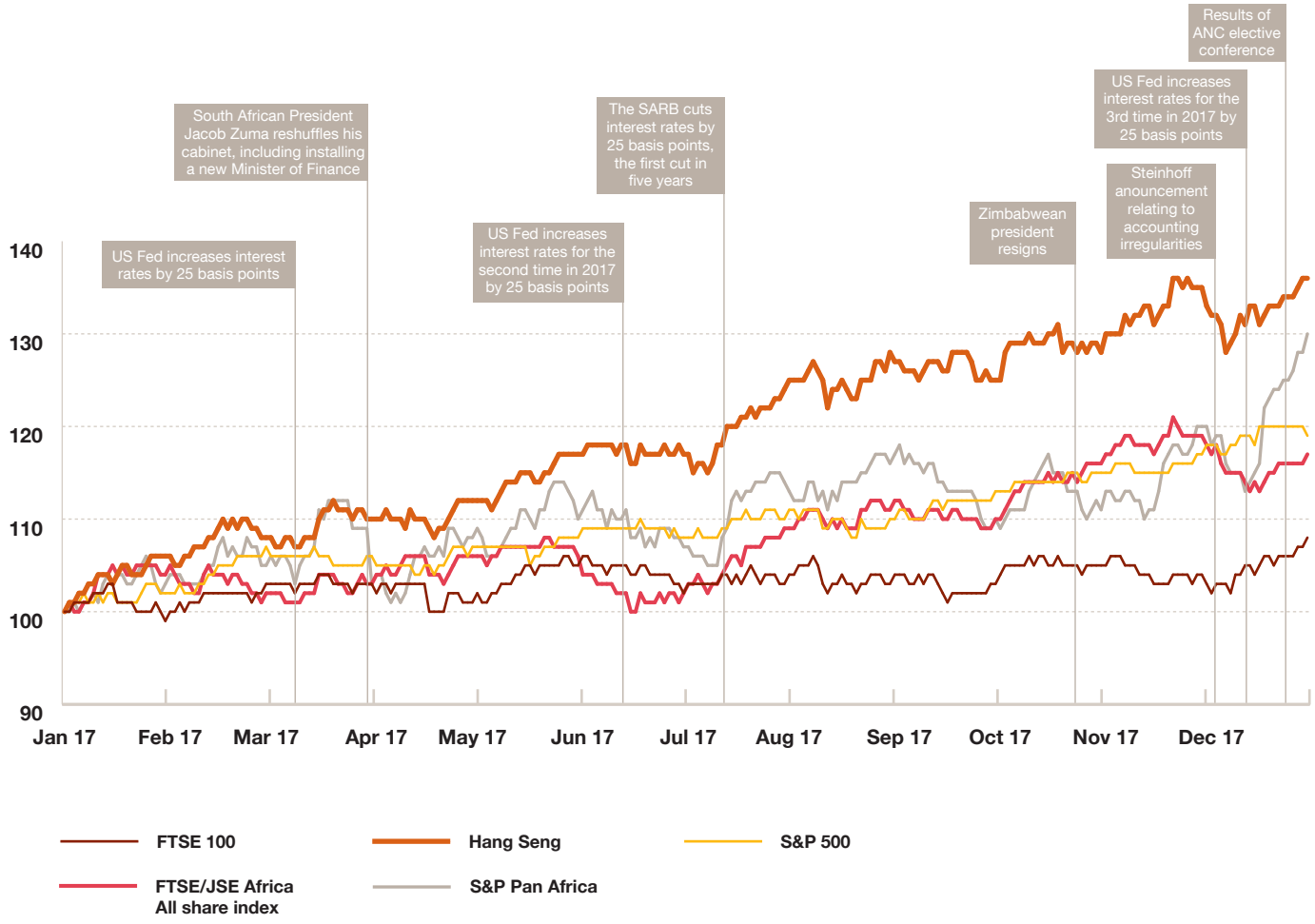
Note: included deals > $5m, excluding PIPO's and transactions on Over-The-Counter exchanges. Top countries have been selected based on money raised in 2017. If IPOs or FOs take place in two or more countries, total money raised is attributed to all countries.

Source: Dealogic, PwC's Q4 2017 Equity Capital Markets Briefing

Global indices 2017

Indices in Figure 2 display a degree of volatility in the performance of the S&P Pan Africa[2] and the Hang Seng relative to the FTSE 100, S&P 500 and the FTSE/JSE Africa All Share Index[3] during the year. Among other events, the volatility can be attributed to monetary policy changes in the United States, as well as geopolitical tensions in the Pacific Rim and political events in southern Africa. The JSE All-Share Index remained remarkably steady through turbulent times, an indicator of its ability to reasonably hedge movements in the South African rand; the JSE All-Share Index ended the year up 17% from its 2016 year-end balance.

Figure 2: Global indices, 2017



Source: Thomson Reuters

[2]The S&P Pan Africa Index is a comprehensive benchmark that includes stocks from 12 emerging and frontier markets in Africa: Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tunisia and Zambia. The index is weighted by float-adjusted market capitalisation and reflects in US dollar values. It has closely approximated the S&P All Africa Index in 2017.

[3]The FTSE/JSE Africa All-Share Index is a market capitalisation-weighted index calculated in South African rand. Companies included in this index comprise the top 99% of the total pre-free float market capitalisation of all listed companies on the JSE.

African equity markets

As noted, 2017 saw a significant improvement in overall ECM activity over 2016 and the impact of some global ECM trends in local markets. For instance, 2017 activity included a series of spin-off and SPAC listings on the JSE and other exchanges as owners tried to realise value and drive new investment opportunities. Of the 12 IPOs on the JSE, three were spin-offs, including the continent's largest IPO during the year, Steinhoff's spin-off of its African retail arm, STAR; and four were SPAC listings, including the IPO of African Rainbow Capital Investments, the 2nd-largest on the JSE in 2017. Namibia listed its first SPAC, Nimbus Infrastructure, during the year as well. 2017 also saw the listing of the largest BEE information and communications technology group in South Africa, AYO Technology Solutions Ltd, which was also the third-largest IPO on the JSE in 2017.

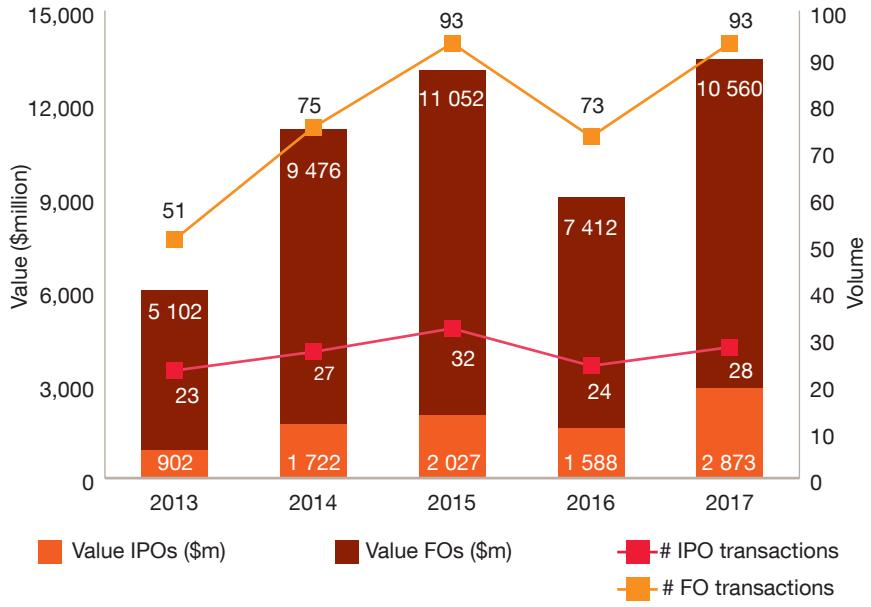
The downward trend in ECM activity observed in 2016 ended in 2017 with a 25% increase from 2016 in number of transactions and a 49% increase from 2016 in terms of value. The significant increase in value was primarily driven by the $1.2 billion IPO of STAR, which accounted for 43% of 2017 IPO value in Africa, and 14% of total IPO proceeds between 2013 and 2017, as well as a few individually significant FOs.

African ECM activity in 2017 was largely driven by the financials sector for FOs and the consumer services sector for IPOs, although these sectors' share of total FO value was amplified by the $2.9 billion rights issue by Barclays Africa in June 2017, and by the total value of the IPO of STAR, which accounted for 21% and 9% of total ECM proceeds during the year, respectively. Businesses in sectors such as telecommunications, consumer goods and services, financials, and healthcare continued to form a more significant component of African ECM activity, reinforcing the growth trend away from the resources sector; none of the top ten IPOs in 2017 was by a company in the resources sector.

Due to the potential individual significance of transactions to a year's ECM results, as demonstrated above, we continue to analyse trends both on an annual basis and over a five-year period as an indication of longer-term trends.

- Since 2013, there have been 519 African ECM transactions, raising a total of $52.7 billion, up 17% in terms of capital raised over the previous five-year period.
- Overall ECM activity in 2017 in terms of transaction volume was the second-highest since 2013, with 121 transactions, but saw the highest capital proceeds raised. As stated previously, the increase in value of ECM deals was driven by a few significant IPOs and FOs in 2017. Four of the largest ECM transactions by value took place in 2017, including the largest IPO and FO by value over the previous five-year period.

Figure 3: ECM activity, 2013 - 2017



Source: Dealogic

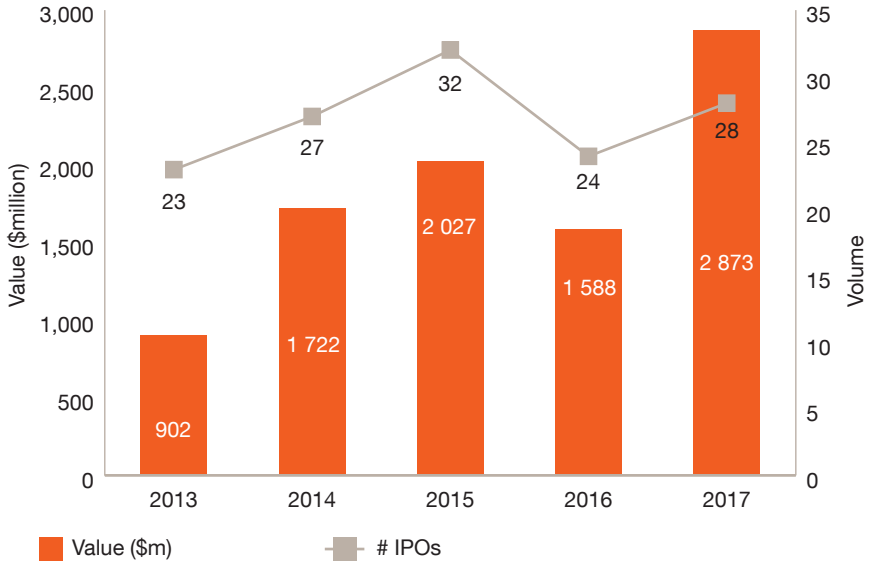
Note: Some adjustments were made to the Dealogic dataset after our 2016 publication. Data presented in our 2017 report has therefore been adjusted for nine additional IPOs with a total impact on IPO value of $10.7 million in 2013, $21.2 million in 2014, $4.3 million in 2015, and $65.7 million in 2016. It has also been updated for five additional FOs in 2016 and two FOs reclassified to a country of domicile outside of Africa in 2014 and 2016, with a total impact on FO value of ($1.8 million) in 2014 and $121.7 million in 2016.

African IPO market

African IPO trends

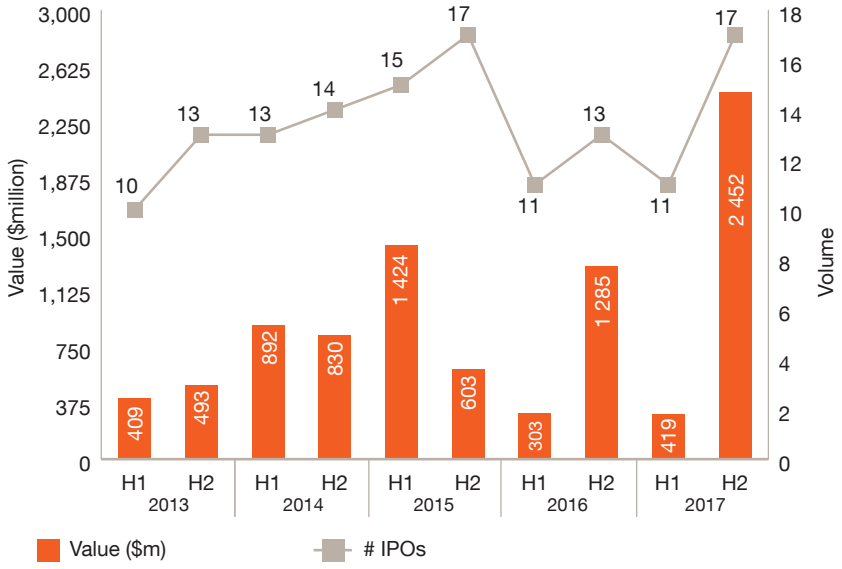
- Over the past five years, there have been 134 IPOs by African companies on both African and international exchanges, raising $9.1 billion, a 37% increase in capital raised over the preceding five-year period, 2012-2016.
- 2017 saw the second-largest volume in IPO activity over the past five years and the largest in terms of value, exceeding 2015 proceeds by 42%.
- During 2017, five of the top ten IPOs by proceeds were launched on the JSE and two each on the Egyptian Stock Exchange (EGX) and the BRVM, demonstrating stabilisation in the Egyptian market, growth in Francophone West African economic activity and the continued attraction of the JSE as an investment destination.
- 2017 and 2015 both contributed the greatest number (three each) of the top ten IPOs over the past five years. In terms of activity analysed over half-year periods, a greater proportion of 2017's IPOs (by volume and value) took place in the second half of 2017, a potential demonstration of improved market sentiment and cautious optimism in the South African story in the months leading up to the ANC elective conference.

Figure 4: IPO trends by year, 2013 - 2017



Source: Dealogic

Figure 5: IPOs trends by half year, 2013 - 2017



Source: Dealogic

African IPO data by exchange

In 2017, capital raised from IPOs by companies on the JSE in US dollar terms increased by 178% as compared to 2016, a statistic primarily driven by the $1.2 billion IPO of STAR, which alone exceeded total 2016 JSE IPOs by $424.1 million. 2017 capital raised from IPOs by companies on African exchanges, excluding the JSE, decreased in US dollar terms by 33% as compared to 2016, largely driven by reduced or no activity in markets such as Algeria, Morocco, Ghana, and Mauritius, partially offset by an increase in IPO value in Tanzania. 2017 was a record year for the DSE in Tanzania, which launched the much-anticipated IPO of Vodacom Tanzania, among the top ten IPOs in 2017.

As noted above, IPO activity on the North African stock exchanges – Egypt, Morocco, Tunisia and Algeria – decreased by 61% in terms of value of IPO proceeds, primarily due to the non-recurrence of significant listings on the Casablanca and Algiers exchanges when compared with the prior year. There was also no IPO activity in 2017 in Ghana compared to 2016, which saw $102.0 million raised on the Ghana Stock Exchange. This year, the Nairobi Securities Exchange and Nigerian Stock Exchange both extended their IPO drought, with no new IPO capital raised in either 2016 or 2017.

In contrast, elsewhere on the continent, 2017 saw some significant increases in IPO value on exchanges in Namibia, Rwanda and Tanzania compared to 2016. This increased activity can be attributed to a combination of continued efforts by governments to either privatise stakes in state-owned entities or encourage local companies to list on domestic exchanges to build local market participation, and in certain situations, regulatory requirements compelling companies in certain sectors to list. Examples of such listings include the September 2017 IPO of 22% of Letshego Holdings (Namibia) Limited's shares driven by the Namibian government's 2030 plan to expand local shareholding in Namibia-based companies, the sale of 19.8% of the Rwandan government's stake in I&M Bank on the Rwanda Stock Exchange (more than two times oversubscribed), and the IPO of Vodacom Tanzania.

Regional distribution of 2017 IPO volume and value varied compared with the overall five-year trend. In 2017, exchanges in sub-Saharan African (SSA) accounted for 75% of total volume of transactions and 93% of total value raised in Africa, whereas between 2013 and 2017, exchanges in SSA accounted for 66% of total volume of transactions and 72% of total value raised in Africa. The remainder comprised activity on North African exchanges.

Despite the policy gridlock and economic and political turmoil that South Africa has experienced over the past five years, the JSE maintained its dominant role in the African capital markets; since 2013, capital raised from IPOs by companies on the JSE alone of $4.8 billion represents 52% of the total African IPO capital raised.

Over the five-year period, the JSE was followed in terms of volume of IPO transactions by the Bourse de Tunis with 23 issuances, and the EGX with 13 issuances. In terms of value over the past five years, the next largest value of IPO proceeds raised was on the EGX at $1.3 billion, the majority of which relates to the 2015 IPOs of Orascom Construction, Edita Food Industries and Emaar Misr for Development, followed by the Nigerian Stock Exchange at $760 million, the bulk of which relates to the 2014 Seplat dual listing in London and Lagos.

On average during this period, capital raised per IPO was $68 million, with a relatively higher average of $108.5 million for listings on the JSE, and $46.4 million for those on other African exchanges. In 2017, these averages were noticeably higher across the board, with average proceeds of $102.6 million across Africa and by African companies globally, and $190.8 million for JSE listings.





Figure 6: IPOs by African exchange, 2013-2017*

	2013		2014		2015		2016		2017		Total	
Exchange country	Number of IPOs	Capital raised ($m)	Number of IPOs	Capital raised ($m)	Number of IPOs	Capital raised ($m)	Number of IPOs	Capital raised ($m)	Number of IPOs	Capital raised ($m)	Number of IPOs	Capital raised ($m)
South Africa	4	261	9	742	12	659	7	823	12	2,289	44	4,774
Johannesburg	*4*	*261*	*8*	*734*	*9*	*640*	*4*	*706*	*9*	*2,276*	*34*	*4,617*
Johannesburg AltX	*0*	*0*	*1*	*8*	*3*	*19*	*3*	*117*	*3*	*13*	*10*	*157*
North Africa												
Egypt	0	0	1	109	4	752	4	214	4	179	13	1,254
Morocco	1	122	1	127	2	91	1	195	0	0	5	535
Tunisia	12	191	6	125	2	43	1	21	2	11	23	391
Algeria	1	11	0	0	0	0	1	58	0	0	2	69
Sub-Saharan Africa excluding South Africa												
Nigeria	1	189	2	548	1	23	0	0	0	0	4	760
BRVM	0	0	2	18	1	14	3	126	2	143	8	301
Tanzania	1	2	2	7	1	15	3	7	1	212	8	243
Mauritius	0	0	1	29	0	0	1	95	2	1	4	125
Ghana	0	0	1	1	4	6	2	102	0	0	7	109
BVMAC	1	66	0	0	0	0	0	0	0	0	1	66
Botswana	0	0	0	0	1	9	1	42	1	<1	3	51
Rwanda	0	0	0	0	1	39	0	0	1	11	2	50
Kenya	0	0	1	7	1	35	0	0	0	0	2	42
Namibia	0	0	0	0	0	0	0	0	2	21	2	21
Mozambique	1	11	0	0	0	0	0	0	0	0	1	11
Zambia	0	0	1	9	0	0	0	0	0	0	1	9
Zimbabwe	0	0	0	0	0	0	1	<1	0	0	1	<1

*Data includes IPOs listed on African exchanges and therefore excludes outbound IPOs. Companies listed on two exchanges or more are accounted for on each exchange.

Source: Dealogic

Figure 7: Top 10 African IPOs by proceeds, 2013 - 2017

Name	Capital raised $m	Year of IPO	Sector	Country of operation	Stock exchange
Steinhoff Africa Retail Ltd (STAR)	1,247	2017	Consumer Services	South Africa	Johannesburg
Seplat Petroleum Development Co Ltd	538	2014	Oil & Gas	Nigeria	London/ Nigerian
Alexander Forbes Group Holdings Ltd	348	2014	Financials	South Africa	Johannesburg
Integrated Diagnostics Holdings plc	334	2015	Healthcare	Egypt	London
African Rainbow Capital Investments Ltd	332	2017	Financials	South Africa	Johannesburg
AYO Technology Solutions Ltd	328	2017	Technology	South Africa	Johannesburg
Dis-Chem Pharmacies Ltd	305	2016	Consumer Services	South Africa	Johannesburg
Emaar Misr for Development SAE	299	2015	Financials	Egypt	Egyptian
Liberty Two Degrees	272	2016	Financials	South Africa	Johannesburg
Edita Food Industries SAE	267	2015	Consumer Goods	Egypt	Egyptian/ London

Source: Dealogic



Top ten African IPOs by value, 2017 and 2016

Unlike prior years, the composition of the top ten African IPOs by value in 2017 was mostly concentrated in South Africa, Egypt, Tanzania and the UEMOA region, represented by the BRVM.

The top ten IPOs in 2017 again represented diverse sectors, echoing trends from previous years, with listings by telecommunication companies and companies specialising in financial services, food, personal care and health-related products.

Figure 8: Top 10 African IPOs by value, 2017 and 2016

Name	Capital raised $m	Sector	Country of operation	Stock exchange
Top 10 IPOs 2017				
Steinhoff Africa Retail Ltd (STAR)	1,247	Consumer Services	South Africa	Johannesburg
African Rainbow Capital Investments Ltd	332	Financials	South Africa	Johannesburg
AYO Technology Solutions Ltd	328	Technology	South Africa	Johannesburg
Vodacom Tanzania Ltd	212	Telecommunications	Tanzania	Dar es Salaam
Long4Life Ltd	154	Financials	South Africa	Johannesburg
Sea Harvest Group Ltd	104	Consumer Goods	South Africa	Johannesburg
Ibnsina Pharma SAE	88	Healthcare	Egypt	Egyptian
Ecobank Côte d'Ivoire	81	Financials	Côte d'Ivoire	BRVM
NSIA Banque Côte d'Ivoire	62	Financials	Côte d'Ivoire	BRVM
Raya Contact Center	45	Technology	Egypt	Egyptian
Top 10 IPOs 2016				
Dis-Chem Pharmacies Ltd	305	Consumer Services	South Africa	Johannesburg
Liberty Two Degrees	272	Financials	South Africa	Johannesburg
Societe d'Exploitation des Ports - Marsa Maroc	195	Industrials	Morocco	Casablanca
Ethos Private Equity Capital Partners Ltd	127	Financials	South Africa	Johannesburg
Arabian Food Industries Co Domty SAE	126	Consumer Goods	Egypt	Egyptian
Universal Partners Ltd	95	Financials	Mauritius	Johannesburg AltX/Mauritius
Agricultural Development Bank	77	Financials	Ghana	Ghana
Coris Bank International SA	63	Financials	Burkina Faso	BRVM
Biopharm SpA	58	Healthcare	Algeria	Algiers
Obour Land Foodstuff Industries SAE	43	Consumer Goods	Egypt	Egyptian

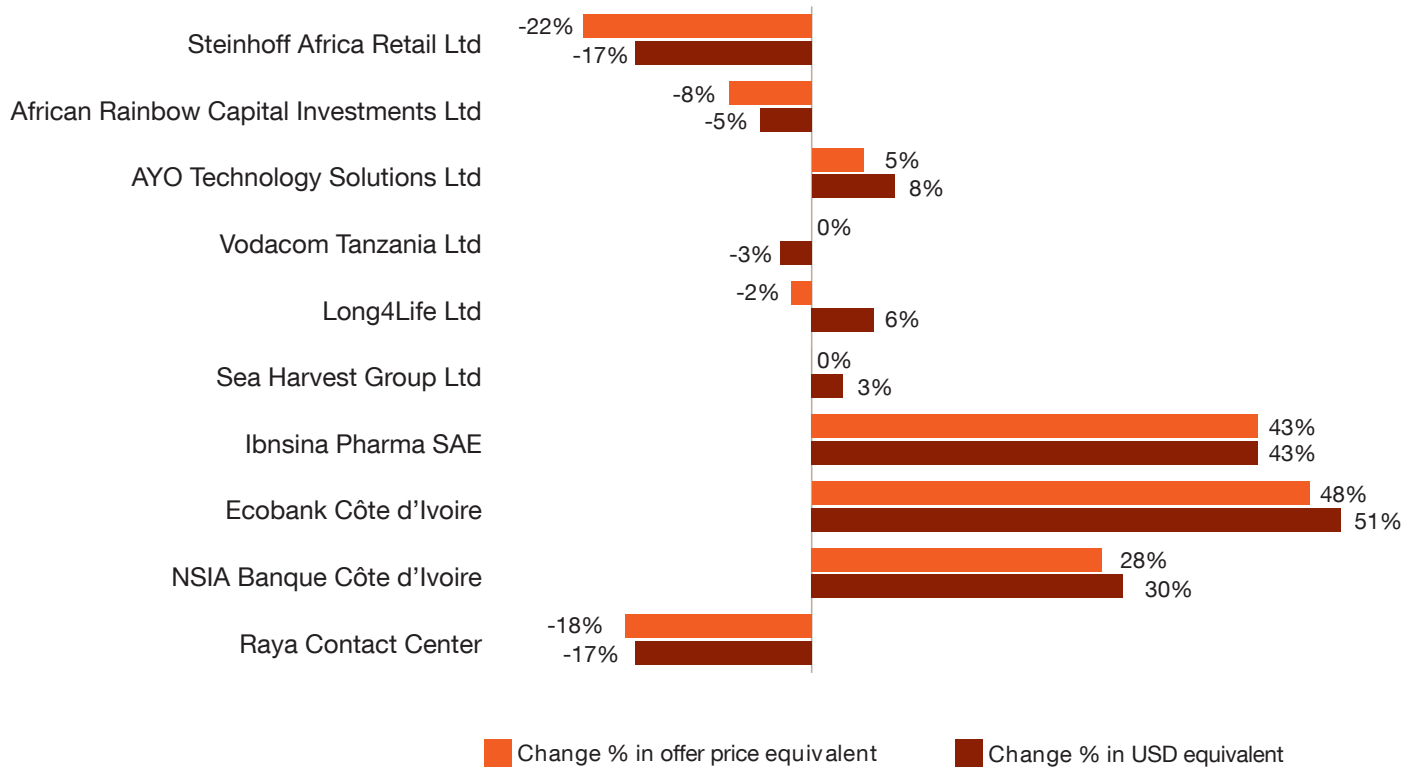
Source: Dealogic

Share price performance of top ten 2017 African IPOs at 29 December 2017

Though the JSE maintained a dominant role in terms of location of the top ten African IPOs in 2017 by value and number, the performance of these newly listed JSE entities has been mixed, with the most notable declines due to entity-specific events. The comparatively stronger US dollar-equivalent performance of these shares was driven by the strengthened rand at year-end vis-à-vis US dollar exchange rates throughout the year.

The share price performance of the top ten 2017 African IPOs in the majority of the other markets demonstrated positive returns. Ecobank Côte d'Ivoire, the BRVM's largest IPO for 2017, achieved the highest increase in share price performance of the top ten African IPOs with a share price trading 48% higher as at 29 December 2017. Other African IPOs in 2017 achieving positive share price returns related to Ibnsina Pharma, the EGX's largest and Africa's seventh-highest IPO in 2017, whose share price since listing had increased by 43% as at year-end, and NSIA Banque Côte d'Ivoire, trading 28% up on its opening price.

Figure 9: Share price performance of 2017 top ten African IPOs at 29 December 2017



Source: Stock exchanges, S&P Capital IQ, Thomson Reuters

African IPOs breakdown by sector in 2017

During 2017, for the first time in five years, the consumer services sector (driven almost entirely by the STAR IPO) dominated the African IPO market with 44% of total value and 7% of total volume, whereas the financials sector accounted for the most in total volume at 50% and 26% in total value; excluding STAR, this trend is consistent with sector themes noted on global IPO markets, where the financials sector led in terms of value. The next most active sectors for African listings this year were technology with 13% of total value and consumer goods with 14% of total volume.

Figure 10: IPOs value by sector, 2017

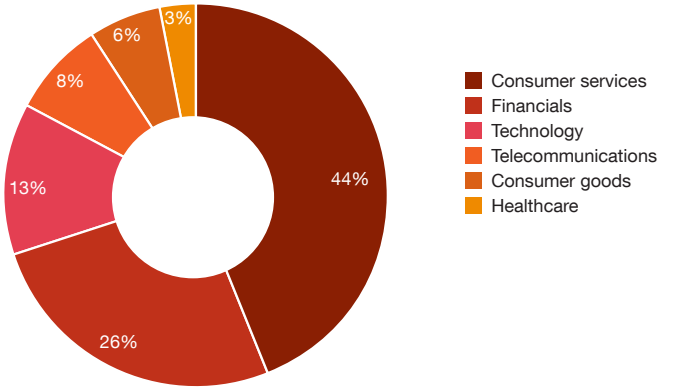
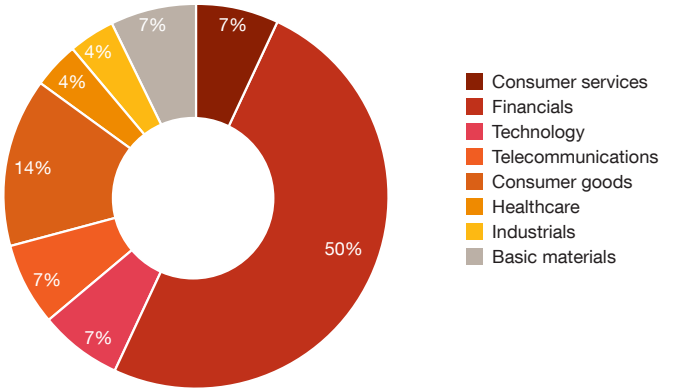


Figure 11: IPOs volume by sector, 2017



Source: Dealogic

African IPOs breakdown by sector, 2013-2017

Unlike the 2017 standalone results, which are impacted by the significant size of the STAR listing, over the past five years the financials sector led the African IPO market with 47% of total volume and 38% of total value, driven in large part by the continued popularity of property company and real estate investment trust (REIT) listings and the emergence of listings by investment entities. The consumer services sector followed with a total value of 18%, and consumer goods with 15% in volume.

Figure 12: IPOs value by sector, 2013 - 2017

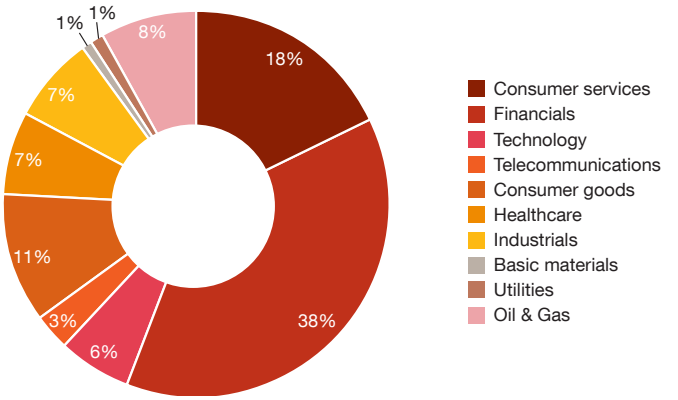
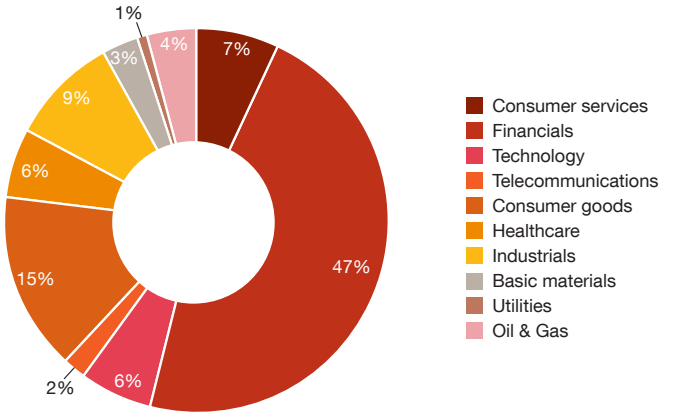


Figure 13: IPOs volume by sector, 2013 - 2017



Source: Dealogic

African FO market

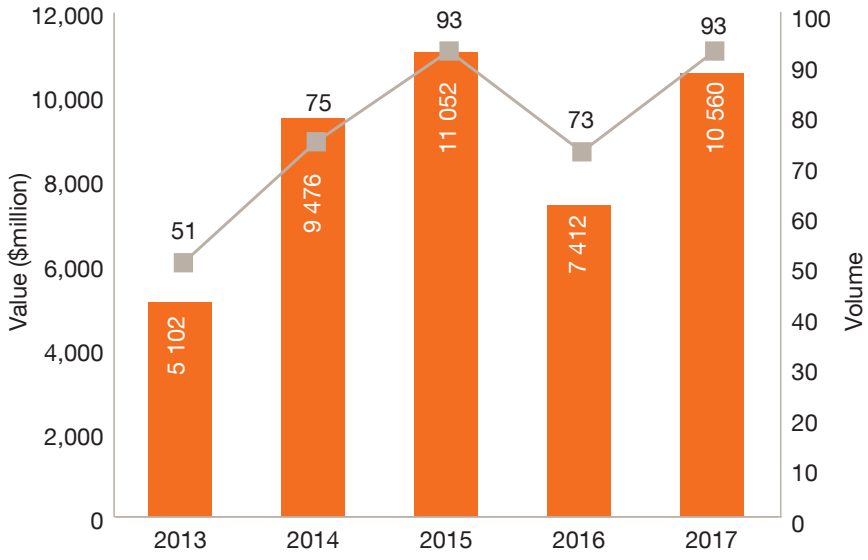
African FO trends

Over the past five years, there have been 385 FOs by African companies, raising $43.6 billion on both African and international exchanges. Unlike the IPO market, 2017 FO activity was on a par with 2015 levels in terms of transaction volume, at 93 FOs; in 2017, this represented an increase of 27% over the prior year. In terms of proceeds raised, 2017 saw an increase of 42% over the prior year, though it fell short of the highs noted in 2015. South African companies continued to dominate FO activity in 2017, accounting for 86% of FO proceeds and 51% of FO volume. The nature of these FOs depicts a mixed landscape, with a significant portion of funds having been raised through the divestiture by foreign investors of African investments – similar to what happened in 2016 – as well as by local companies seeking to finance international acquisitions, thereby gaining access to new markets and diversified revenue streams. Barclays Africa Group Limited's June 2017 FO, for instance, came as a result of Barclays plc's continued sell-down of its African subsidiary, with proceeds of $2.9 billion accounting for 27% of total FO proceeds for 2017. Similarly, Vodafone, the UK parent of Vodacom, sold down shares in the mobile operator to meet the 20% minimum free-float requirement, with total FO proceeds of $1.1 billion. Also in South Africa, $1.0 billion in FO proceeds was raised in June 2017 by Sibanye Gold in an offer that was more than five times oversubscribed, to partially fund its May 2017 acquisition of Colorado-based Stillwater Mining Company. Life Healthcare, one of South Africa's largest private hospital operators, completed a $673.0 million FO to partially fund its acquisition of the UK's Alliance Medical Group.

This trend appeared elsewhere on the continent as well, with Egypt's Cleopatra Hospital Co funding a planned acquisition with nearly $40.0 million in FO proceeds.

During the five-year period from 2013, the average FO capital raised per transaction of $113.3 million remained well above the average proceeds raised from IPOs of $68.0 million. As highlighted in our 2016 report, we continue to see large, seasoned issuers tapping equity markets as a reliable source of capital.

Figure 14: FO trends, 2013-2017



Source: Dealogic



Top ten African FOs by value, 2017 and 2016

The composition of top ten African FOs by value in 2017 was less geographically diverse than the top ten IPOs, with a concentration on the JSE. The top ten FOs in 2017 also represented diverse sectors, consistent with IPO trends, demonstrating growth in a broad basket of industries.

Figure 15: African top ten FOs by proceeds in 2016 and 2017

Name	Capital raised $m	Sector	Country of operation	Stock exchange
Top 10 FOs 2017				
Barclays Africa Group Ltd	2,885	Financials	South Africa	Johannesburg
Vodacom Group Ltd	1,148	Telecommunications	South Africa	Johannesburg
Sibanye Gold Ltd	1,042	Basic Materials	South Africa	Johannesburg
Life Healthcare Group Holdings Ltd	673	Healthcare	South Africa	Johannesburg
NEPI Rockcastle plc	384	Financials	Romania	Johannesburg
Greenbay Properties Ltd	338	Financials	Mauritius	Mauritius
Foschini Group Ltd	191	Consumer Services	South Africa	Johannesburg
Resilient REIT Ltd	190	Financials	South Africa	Johannesburg
MAS Real Estate Inc	187	Financials	Isle of Man	Johannesburg AltX
Exxaro Resources Ltd	186	Basic Materials	South Africa	Johannesburg
Top 10 FOs 2016				
Barclays Africa Group Ltd	906	Financials	South Africa	Johannesburg
Remgro Ltd	662	Industrials	South Africa	Johannesburg
Aspen Pharmacare Holdings Ltd	626	Healthcare	South Africa	Johannesburg
Steinhoff International Holdings NV	625	Consumer Goods	South Africa	Frankfurt
Exxaro Resources Ltd	324	Basic Materials	South Africa	Johannesburg
Bid Corp Ltd	285	Consumer Services	South Africa	Johannesburg AltX/Mauritius
PPC Ltd	282	Industrials	South Africa	Johannesburg
ArcelorMittal South Africa Ltd	268	Basic Materials	South Africa	Johannesburg
Kenya Electricity Generating Co Ltd - KenGen	262	Utilities	Kenya	Nairobi
Greenbay Properties Ltd	256	Financials	Mauritius	Johannesburg AltX/Mauritius

Source: Dealogic



African FO data by exchange

Over a five-year period, the vast majority of FO activity took place in South Africa, representing 65% and 86% of total FO volume and value, respectively. This is broadly consistent with the 2017 year, when South Africa accounted for 51% and 86% in total FO volume and value, respectively. Egypt accounted for the next-largest amount of FO volume and value for the 2017 year at 14% and for the five-year period 2013-17 at 6%. In terms of FO value, Mauritius accounted for the next-largest amount in 2017 at 5%, and Nigeria the next-largest amount for the five year period 2013-17 at 4%.

In terms of changes noted from the prior year, Kenyan FO activity stalled in 2017 with no further offers on the Nairobi Securities Exchange, potentially attributable to the tense environment that developed subsequent to elections held during the year. Conversely, Egypt and Nigeria both experienced a significant increase in FO value and volume; Egypt noted a 117% increase in FO volume and a 275% increase in value, and Nigeria moved from no activity in 2016 to six FOs, raising $417.8 million.

Figure 16: FOs by African exchange, 2013 - 2017[4]

	2013		2014		2015		2016		2017		Total	
Exchange country	Number of FOs	Capital raised ($m)	Number of FOs	Capital raised ($m)	Number of FOs	Capital raised ($m)	Number of FOs	Capital raised ($m)	Number of FOs	Capital raised ($m)	Number of FOs	Capital raised ($m)
South Africa	35	4,458	52	8,156	71	9,750	46	6,212	47	9,081	251	37,657
Johannesburg	*34*	*4,458*	*48*	*8,086*	*66*	*9,603*	*43*	*5,904*	*42*	*8,649*	*233*	*36,700*
Johannesburg AltX	*1*	*<1*	*4*	*70*	*5*	*147*	*3*	*308*	*5*	*432*	*18*	*957*
North Africa												
Egypt	1	88	1	522	3	199	6	73	13	274	24	1,156
Tunisia	3	60	1	12	2	391	2	12	6	24	14	499
Morocco	1	47	1	71	2	196	0	0	2	145	6	459
Sub-Saharan Africa excluding South Africa												
Nigeria	2	424	2	359	4	512	0	0	6	418	14	1,713
Mauritius	0	0	1	7	3	87	3	442	4	515	11	1,051
Kenya	0	0	2	46	0	0	3	272	0	0	5	318
Uganda	0	0	1	98	0	0	1	32	0	0	2	130
Ghana	0	0	0	0	0	0	3	100	0	0	3	100
Zimbabwe	0	0	0	0	0	0	0	0	2	76	2	76
Tanzania	0	0	0	0	1	74	0	0	0	0	1	74
Zambia	0	0	1	62	0	0	0	0	0	0	1	62
Malawi	0	0	0	0	0	0	1	10	1	16	2	26
BRVM	0	0	0	0	0	0	1	16	0	0	1	16

[4]Data includes FOs listed on African exchanges and excludes purely outbound FOs. Companies listed on two exchanges or more are accounted for on each exchange.

Source: Dealogic

Figure 17: Top 10 African FOs by proceeds, 2013 - 2017

Name	Capital raised $m	Year of FO	Sector	Country of operation	Stock exchange
Barclays Africa Group Ltd	2,885	2017	Financials	South Africa	Johannesburg
Naspers Ltd	2,492	2015	Consumer Services	South Africa	Johannesburg
Vodacom Group Ltd	1,148	2017	Telecommunications	South Africa	Johannesburg
Sibanye Gold Ltd	1,042	2017	Basic Materials	South Africa	Johannesburg
Steinhoff International Holdings Ltd	973	2014	Consumer Goods	South Africa	Johannesburg
Barclays Africa Group Ltd	906	2016	Financials	South Africa	Johannesburg
Woolworths	889	2014	Consumer Services	South Africa	Johannesburg
Aspen Pharmacare Holdings Ltd	851	2015	Healthcare	South Africa	Johannesburg
Intu Properties plc	846	2014	Financials	United Kingdom	Johannesburg/ London
Mediclinic International Ltd	771	2015	Healthcare	South Africa	Johannesburg

Source: Dealogic



African FOs breakdown by sector in 2017

During 2017, the sector composition of African FO activity was largely consistent with the five-year average in terms of value and volume, with the financials sector contributing 56% of the total FO value, followed by the basic materials sector at 14%, largely driven by the FO of Sibanye Gold. In terms of volumes, financials composed 45% of the total, followed by the basic materials sector at 15%. Interest in the property sector remains, with 64% of the 2017 FOs in the financials sector in terms of volume consisting of property companies, including REITs, and all but four completing their offers on the JSE.

Figure 18: FOs value by sector, 2017

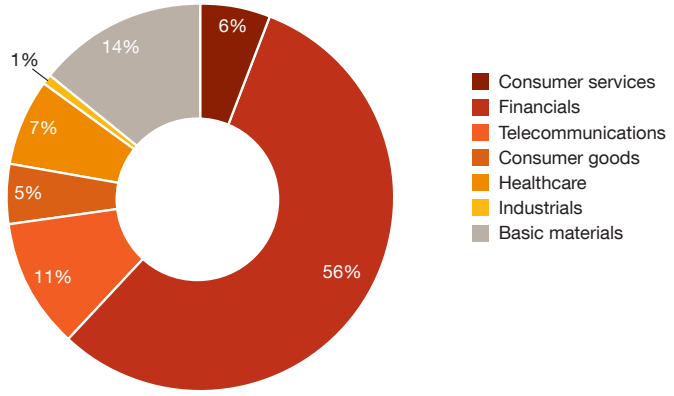
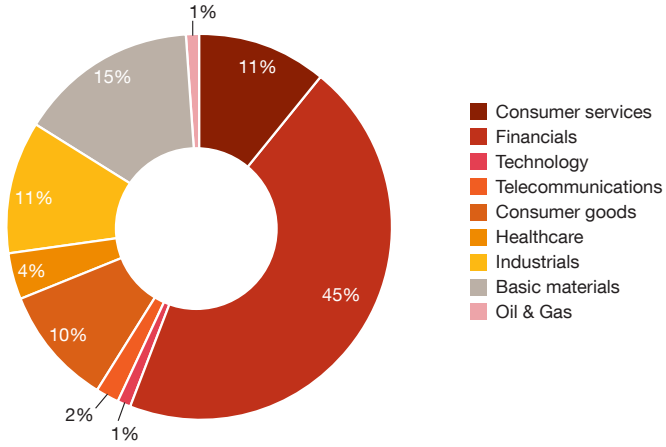


Figure 19: FOs volume by sector, 2017



Source: Dealogic

African FOs breakdown by sector, 2013-2017

FO activity between 2013 and 2017 was dominated by the financials sector with 45% and 49% of FO value and volume respectively, which is on a par with 2017 standalone results. Also on a par with 2017 results was the basic materials sector coming second, with 16% of FO volume between 2013 and 2017, a demonstration of the continued popularity of mining companies accessing the market for additional funding. However, unlike 2017 standalone results, the consumer services sector came second, with 14% of total FO value over the past five years. This is largely driven by the FOs of Woolworths in 2014 and Naspers in 2015.

Figure 20: FOs value by sector, 2013 - 2017

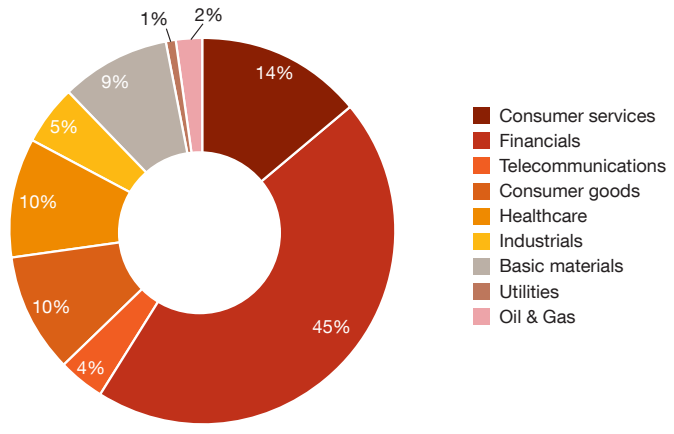
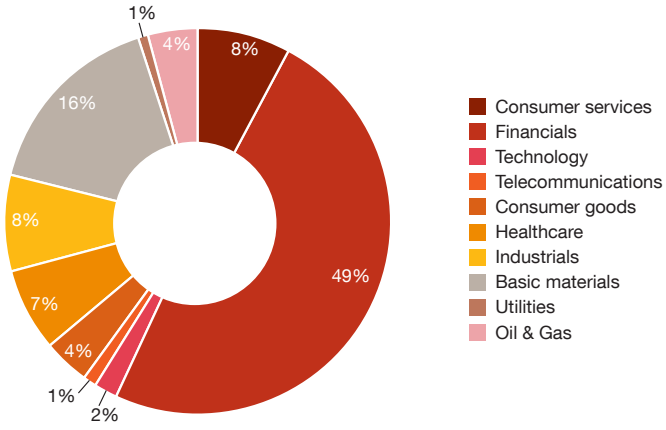


Figure 21: FOs volume by sector, 2013 - 2017



Source: Dealogic

African IPOs and FOs

Analysis of inbound, outbound, domestic and cross-border activity, 2013-2017

We also analyse ECM activity in four categories:

- Domestic: African entities listing on their local exchange
- Cross-border: African companies listing on any other African exchange than their local exchange
- Outbound: African companies listing on an exchange outside of Africa
- Inbound: Non-African entities listing on an African exchange

Somewhat predictably, domestic activity represents the majority of total ECM activity. In 2017, domestic ECM activity represented 76% of total ECM activity in terms of volume and 87% in terms of value. For African ECM data, this statistic is driven by significant activity on larger exchanges such as the JSE and EGX.

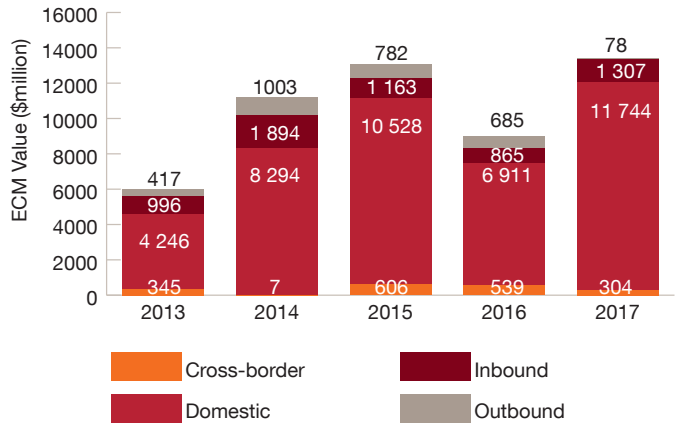
There was an overall drop of 17% and 44% in cross-border ECM activity in 2017 compared to 2016 in terms of volume and value, respectively. This is primarily due to the large FOs of Greenbay Properties in June and September of 2016 raising $417.7 million, which comprised 78% of 2016 cross-border ECM activity. It should be noted that over the past five years, of the 19 cross-border ECM transactions, all but one were into the JSE or dual listings involving the Stock Exchange of Mauritius (SEM) or another domestic exchange.

Outbound ECM volume in 2017 remained on a par with that of prior periods, ranging between a five-year low in 2016 of ten and a high of 17 in 2014. However, there was a significant drop of 89% in the value of outbound ECM activity in 2017 compared to 2016. This is primarily due to the lack of relatively large outbound ECM transactions in 2017; there was no outbound ECM transaction raising over $30.0 million in 2017, whereas, in each year between 2013 and 2016, there was at least one transaction raising over $100.0 million. In 2013, MiX Telematics completed a $115.8 million FO on the NYSE, which alone accounted for 28% of outbound ECM transaction value in 2013. The 2014 IPO of Seplat in London and Nigeria represented 54% of total outbound ECM value in 2014. The 2015 IPOs of Edita Foods and Integrated Diagnostics in London together represented 77% of total outbound ECM value in 2015. And the 2016 FO of Steinhoff in Frankfurt represented 91% of total outbound ECM value in 2016.

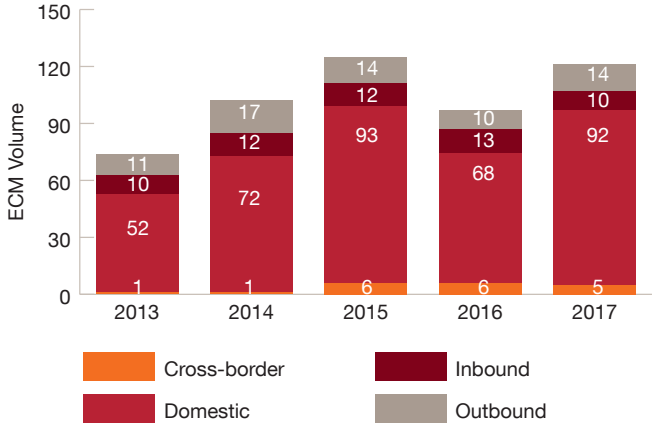
Similar to outbound ECM volume, in 2017 inbound ECM volume remained on a par with those of prior periods, which ranged between a five-year low in both 2013 and 2017 of ten and a high of 13 in 2016. Inbound ECM value increased 51% in 2017 from 2016. This is primarily due to the $384.4 million JSE FO of NEPI Rockcastle plc, a Romanian commercial property investor and developer. Similar to cross-border ECM activity, of the 57 inbound ECM transactions, 53 involved the JSE, 39 of which were in the real estate sector, including REITs.

Figure 22: Cross-border, domestic, outbound and inbound IPOs and FOs, 2013-2017

ECM value



ECM volume



Source: Dealogic

Figure 23: Outbound, inbound, and cross-border IPOs and FOs, 2013 - 2017

IPOs

Cross-border within Africa (African companies offering on domestic and/or other African exchange)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
			●		Universal Partners Ltd	Mauritius	Financials	Johannesburg AltX; Mauritius	95
				●	Brainworks Ltd	Zimbabwe	Financials	Johannesburg	23
				●	4Sight Holdings Ltd	Mauritius	Telecommunications	Johannesburg AltX	9
			●		MUCOBA Bank plc	Zambia	Financials	Dar es Salaam	1

Outbound (African companies offering outside Africa)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
	●				Seplat Petroleum Development Co Ltd	Nigeria	Oil & Gas	London; Nigerian	538
		●			Integrated Diagnostics Holdings plc	Egypt	Healthcare	London	334
		●			Edita Food Industries SAE	Egypt	Consumer Goods	Egyptian; London	267
●					Lekoil Ltd	Nigeria	Oil & Gas	London - AIM	49
		●			KKO International SA	Côte d'Ivoire	Consumer Goods	Brussels - Alternext; Paris - Alternext	7
				●	Cora Gold Ltd	Mali	Basic Materials	London - AIM	5

Inbound (non-African companies offering in Africa)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
		●			Orascom Construction Ltd	United Arab Emirates	Industrials	Egyptian; NASDAQ Dubai	185
		●			Schroder European Real Estate Investment Trust plc	United Kingdom	Financials	Johannesburg; London	162
●					Investec Australia Property Fund	Australia	Financials	Johannesburg	107

Source: Dealogic

FOs

Top 5 Cross-border within Africa (African companies offering on domestic and/or other African exchange)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
●					Oando plc	Nigeria	Oil & Gas	Johannesburg; Nigerian	344
			●		Greenbay Properties Ltd	Mauritius	Financials	Johannesburg AltX; Mauritius	256
		●			Oando plc	Nigeria	Oil & Gas	Johannesburg; Nigerian	243
		●			Rockcastle Global Real Estate Co Ltd	Mauritius	Financials	Johannesburg	162
			●		Greenbay Properties Ltd	Mauritius	Financials	Johannesburg; Mauritius	161

Top 5 Outbound (African companies offering outside Africa)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
			●		Steinhoff International Holdings NV	South Africa	Consumer Goods	Frankfurt	625
	●				Aquarius Platinum Ltd	South Africa	Basic Materials	Australian; Johannesburg; London	235
●					MiX Telematics Ltd	South Africa	Industrials	New York	116
●					Lekoil Ltd	Nigeria	Oil & Gas	London - AIM	100
	●				Delta International Property Holdings Ltd	South Africa	Financials	Bermuda; Johannesburg	87

Inbound (non-African companies offering in Africa)

2013	2014	2015	2016	2017	Issuer's name	Country	Sector	Stock exchange	Capital raised ($m)
	●				Intu Properties plc	United Kingdom	Financials	Johannesburg; London	846
●					Intu Properties plc	United Kingdom	Financials	Johannesburg; London	424
		●			Lonmin	United Kingdom	Basic Materials	Johannesburg; London	407
				●	NEPI Rockcastle plc	Romania	Financials	Johannesburg	384
	●				MAS Real Estate Inc	Isle of Man	Financials	Johannesburg; Luxembourg	255

Source: Dealogic

African debt markets

Our analysis of the African debt markets this year focuses on foreign currency-denominated HY and IG corporate debt issued internationally, with a brief discussion on sovereign and supranational issuances, which play a role in the broader macroeconomic context in African countries.

As indicated in our previous publications, DCM activity represents only a portion of the total debt raising activity in Africa or by African issuers internationally, with a component of debt funding sourced from traditional bank finance or other bilateral lending arrangements and local currency domestic bond issuances, which are not covered in this publication.

African non-local currency corporate debt activity increased for the first time in 2017 after three years of continuous decline, with the first $1.0 billion issuance in two years in June 2017 by Naspers' subsidiary, Myriad International Holdings. Debt raised by African countries and supranational organisations hit a five-year high in 2017, which may indicate appetite for emerging market debt in response to persistently low yields for US and European debt, or perhaps the appetite for debt financing by African governments.

Over the past five years, 387 non-local currency debt transactions have taken place by African issuers on international markets, raising $128.1 billion, of which 85% was denominated in US dollars. As expected, sovereign, supranational and non-US agencies accounted for 75% of the total value raised.

Despite the increase in both the volume and value of non-local currency debt activity in 2017 as compared to 2016, the average proceeds raised in 2017 were $292.3 million per transaction, lower than both 2016's average of $337.1 million and the average per transaction over the past five years of $330.9 million.

In comparison to 2016, 2017 saw a 75% increase in total value of sovereign and supranational non-local currency debt issuances, with 2017 accounting for four of the top ten largest sovereign issuances by value over the past five years. Egypt accounted for the largest sovereign issuances in 2017 in terms of value, raising a total of $7.2 billion. There was also a 68% increase in the total value of non-local currency corporate debt issuances from 2016 to 2017 as several first-time issuers, such as Liquid Telecommunications, accessed the market.

Figure 24: Overall non-local currency DCM activity, 2013 - 2017

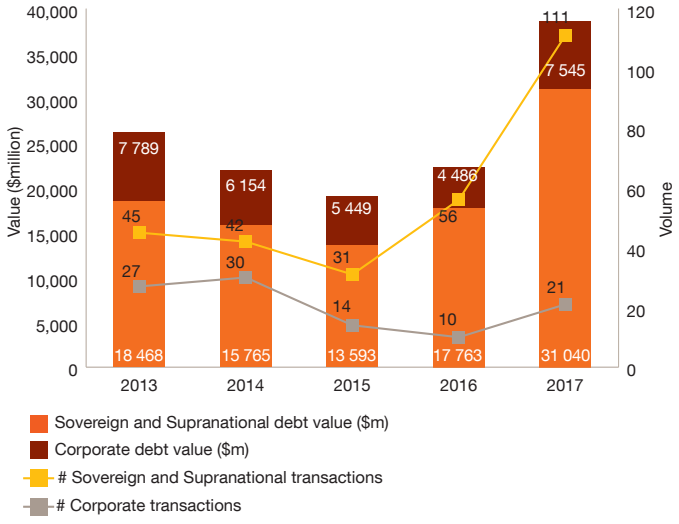
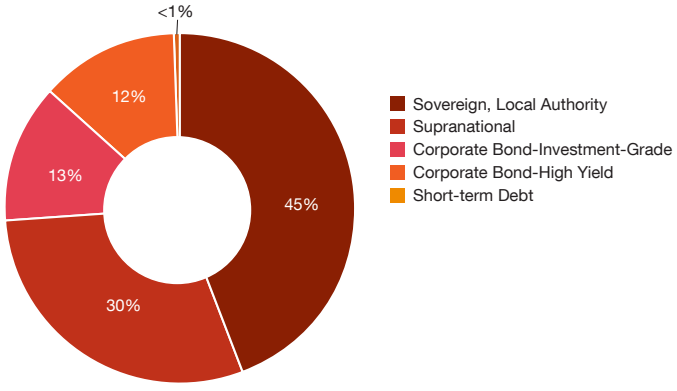


Figure 25: Breakdown of sovereign and supranational (including government agencies) debt by value, 2013 - 2017

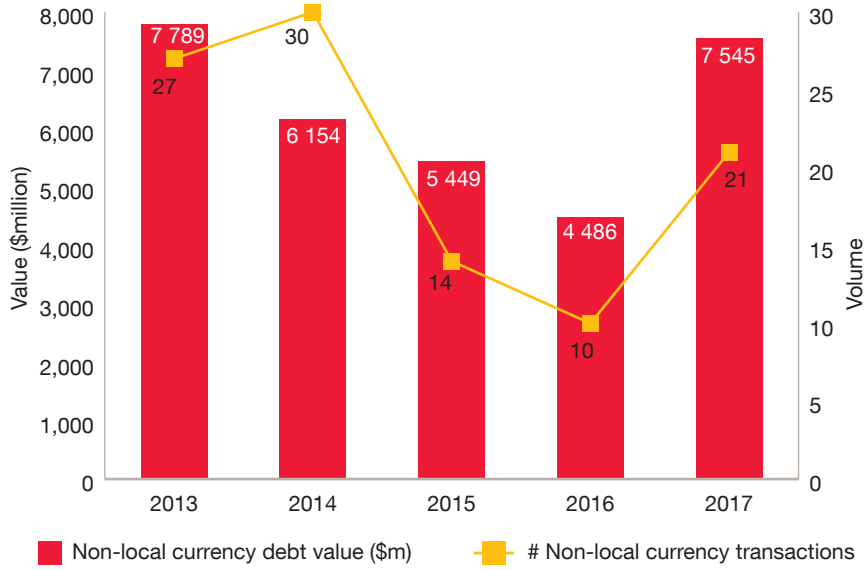


Source: Dealogic

African non-local currency debt market

Trends between 2013 and 2017

Figure 26: African non-local currency corporate debt value and volume, 2013 - 2017



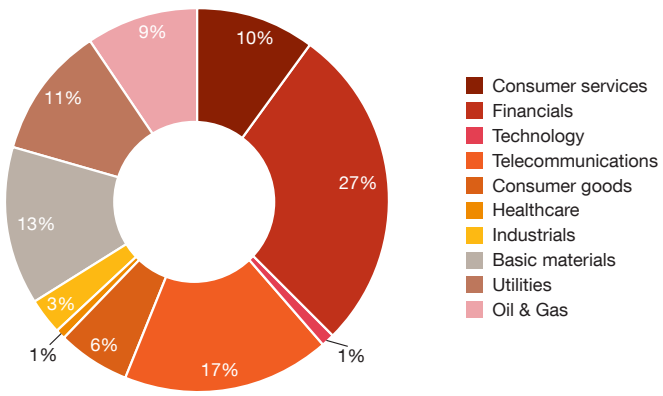
Source: Dealogic

Between 2013 and 2017, there were 102 non-local currency African corporate debt issuances, raising $31.4 billion, of which 82% was US dollar-denominated and 75% raised under the US Securities and Exchange Commission's (SEC's) Rule 144A, reflecting the demand for emerging-market debt securities by US investors as well as the desire by issuers for larger funding tranches. In 2017, there was an increase of 68% in non-local currency corporate debt issued by value as compared to 2016, driven mainly by large issuers such as Naspers with its $1.0 billion issuance in June 2017, with proceeds used for refinancing, and Sibanye-Stillwater's $1.0 billion issuance in June 2017. Other significant issuances include Helios Towers Africa's $600.0 million bond in March 2017, the proceeds of which were used to refinance existing debt as well as to expand its stake in its Tanzanian operations.

African non-local currency debt by industry

Over the period 2013-2017, African non-local currency debt was mainly raised by companies in the financials sector, which comprised 55% of total non-local currency debt volume and 27% of total value. This almost entirely consists of Nigerian and South African banks, such as Zenith Bank, Standard Bank of South Africa, and United Bank for Africa. Telecommunications companies came second with 10% of volume and 17% of total value. This was largely driven by multiple issuances by MTN and GTH Finance. First-time issuers, such as IHS in 2016 and Helios Towers Africa and Liquid Telecommunications in 2017, also contributed to this total.

Figure 27: African non-local currency debt value by industry, 2013 - 2017



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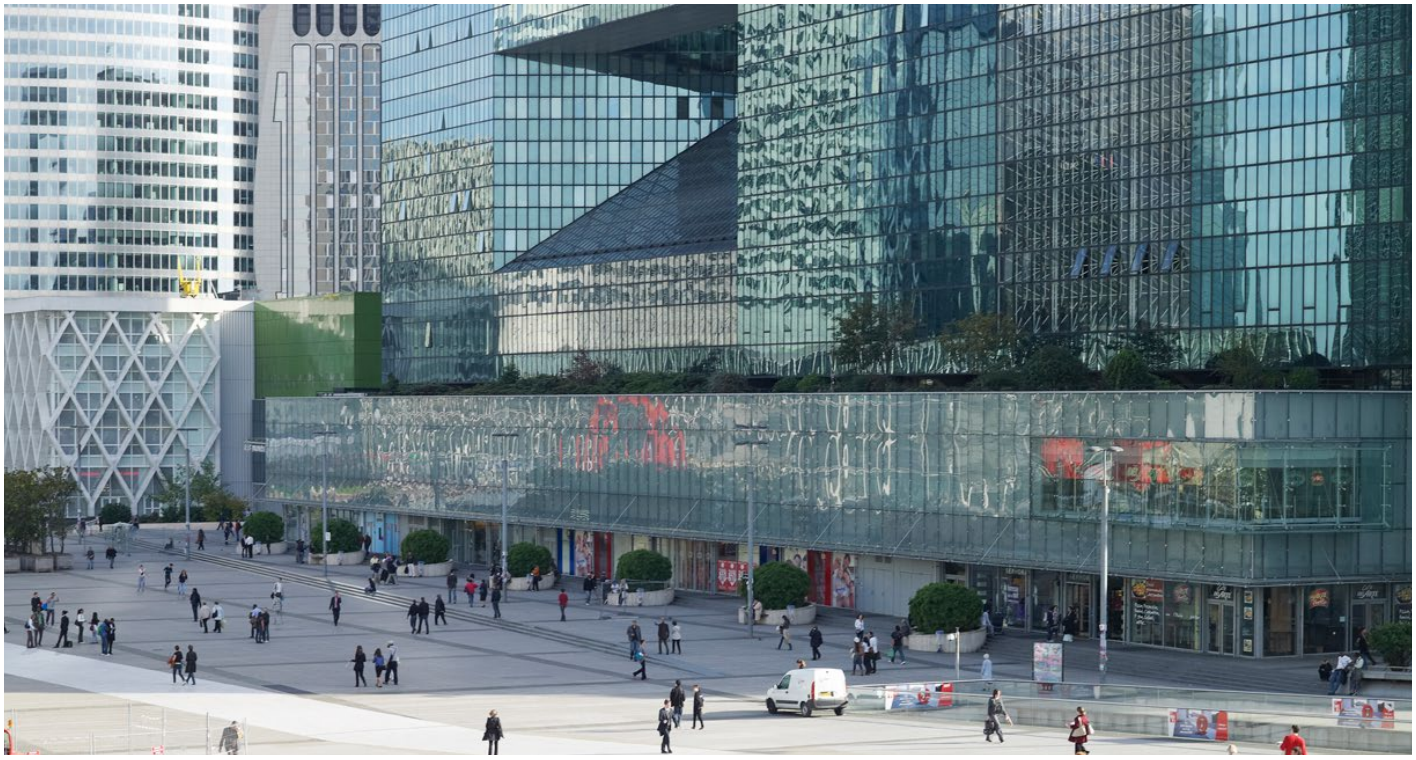
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