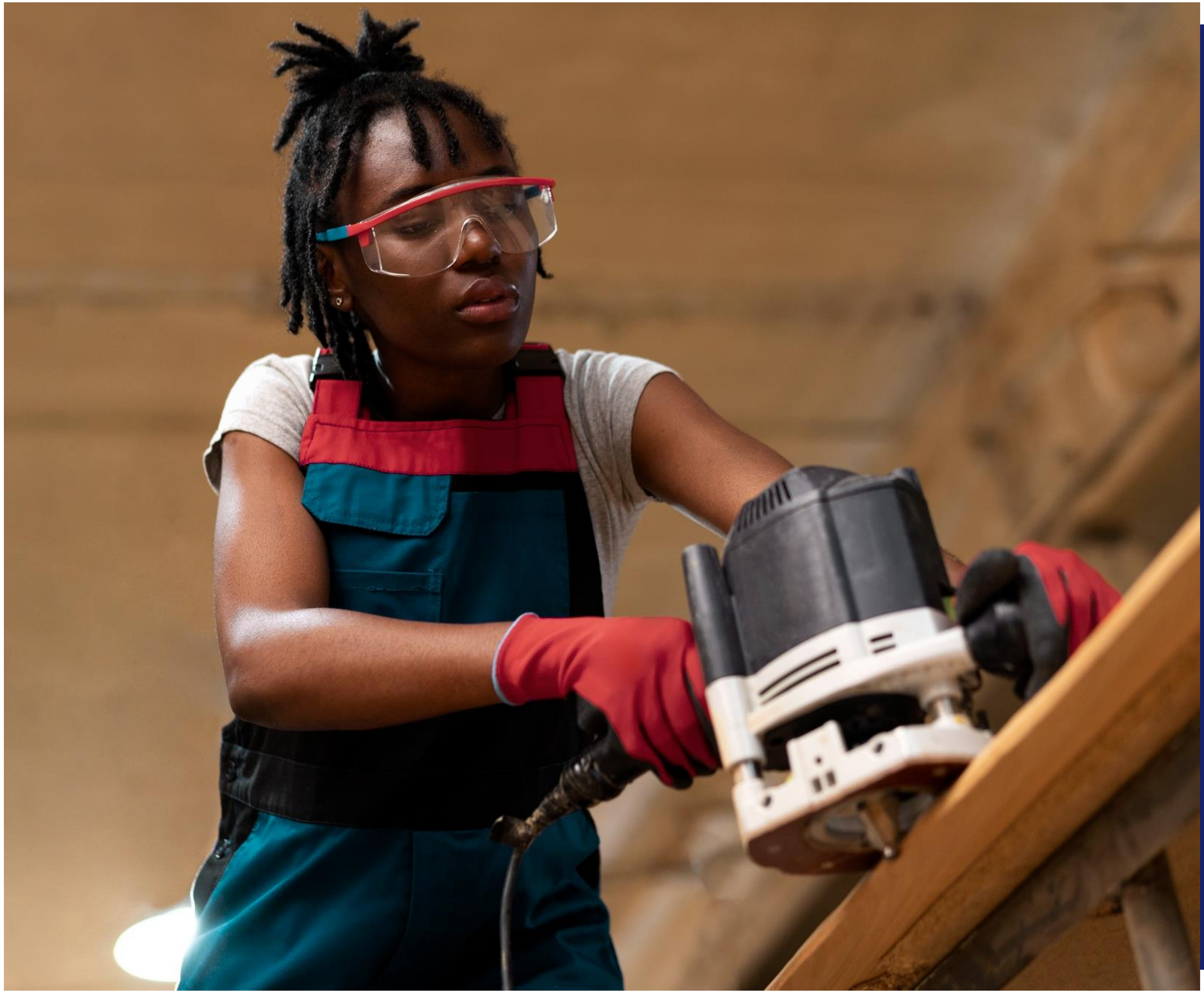
Manufacturing Africa

Case Studies in Private Equity-Led Growth



Manufacturing Africa | UK International Development — Partnership | Progress | Prosperity

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK government's official policies

www.manufacturingafrica.org

Manufacturing Africa (MA)

Overview

Programme Goal

Attract **£1.9 billion** of foreign direct investment (FDI) and creation of **99,000 jobs**

Focus Sector

Manufacturing and manufacturing enablers

Implementing Consortium

McKinsey & Company, BDO, TechnoServe, Steward Redqueen and others

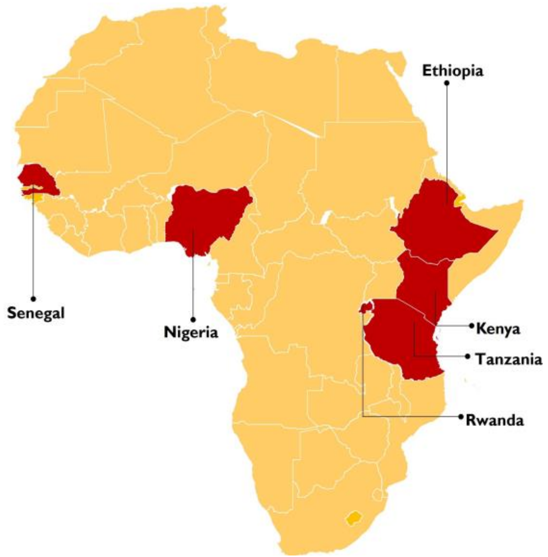
Funding

UK Government through the **Foreign, Commonwealth & Development Office (FCDO)**

Duration

7 Years (2019-2026)

Focus Countries



Addressing two of africa's key challenges

A growing Labour Force

1B
Working population increase by 2050

2X
Urban population growth by 2050

18M
New jobs needed a year until 2035

An underdeveloped Manufacturing Sector

- **Low** manufacturing productivity
- Struggle to move into **high-value** services

#1 Equity Bank

Equity Bank

From a technically insolvent building society to Africa's #1 banking brand — private equity built the bridge

The starting point

Where they were without private equity

- **Technically insolvent** in 1993: 54% non-performing loans, KSh33M accumulated losses, liquidity at 5.8% versus a 20% regulatory minimum
- Turned around under James Mwangi by 2004 — profitable, Kenya-only, microfinance-led. **A strong institution with a hard growth ceiling: no capital for regional ambitions**
- The model worked. The geography and capital structure prevented it from scaling

The PE partnership

How private equity added value

- **Helios Investment Partners injected USD 178M** for a 24.99% stake — one of East Africa's largest PE transactions at the time
- **Governance overhaul:** transitioned Equity from founder-led culture to institutional corporate structure
- **Regional expansion funded:** entry into Uganda, Rwanda, Tanzania, South Sudan, and acquisition of ProCredit Bank in the DRC
- **Digital innovation:** launched Equitel, a mobile virtual network operator that integrated banking with telecoms at scale

Where they got to

Results of PE investment

- **20 million customers** across a 6-country Pan-African franchise; **USD 12.8 billion in assets** (FY 2023)
- **#1 banking brand in Africa, #2 globally** — plus universal banking capabilities in bancassurance, investment banking, and custodial services

Equity Bank – Where they got to

PE gave Equity Bank wings

20M

Customers across a 6-country Pan-African Franchise

USD 12.8 billion

Total Assets (FY 23)

#1

Banking Brand in Africa

#2

Banking Brand in the World

6

Countries Served

Helios's USD 178M in 2007 didn't just inject capital — it unlocked what Equity Bank could not do alone: institutional governance, regional expansion into five new countries, digital transformation through Equitel, and the credibility to attract IFC and Norfund as follow-on investors. Becaming one of Africa's defining banking growth stories

Equity Bank – Recognition as a global banking leader

Equity Bank's transformation journey earned global acclaim for brand strength, innovation, and inclusive finance

2nd strongest banking brand in the world
1st strongest banking brand in Africa

Best Overall Bank
Best Bank in Tier 1
Most Customer-Centric Bank
Best Bank in ESG factors

SME Financier of the Year
Product Innovation of the Year
Women Financier of the Year

Best Bank for MSME Financing

Best Trade Finance Bank in Kenya

Best Bank in Kenya and DRC
Best Bank for SME financing

#2 Dairyland

Dairyland

From a single ice cream factory in Nairobi to a 7-country FMCG leader — private equity unlocked the scale

The starting point

Where they were without private equity

- Founded 1979; acquired by Glacier Products Ltd in 1995. Steadily upgraded: modernized cold chain, invested in quality, FSSC 22000 certified under UKAS accreditation
- First Kenyan chocolate producer (2015), Warner Bros.-licensed brand, KSh100M invested annually in standards — strong brand, Kenya-focused, family-owned
- The brand and products were ready for East Africa. The governance structure capped access to capital and regional scale

The PE partnership

How private equity added value

- Exeo Capital acquired a significant minority stake in 2020 via Agri-Vie Fund II, an African agri-food focused fund
- Boosted production capacity to support regional demand and fund the launch of new product lines
- Established a new professional board of directors — shifting from family-owned governance to an institutional model
- Strengthened ESG practices to international standards; introduced a performance management system and supported structured market entry planning

Where they got to

Results of PE investment

- 96% revenue growth between 2021 and 2023 — the fastest expansion in Dairyland's 40+ year history
- 56% share of Kenya's ice cream market; 89 products across ice cream, chocolate, yoghurt, and toppings
- Active across 7 East and Central African markets; 200 new jobs created post-PE investment

Dairyland – Where they got to

Good businesses grow, PE-backed businesses scale

96%
Revenue Growth in Just Two Years (2021-2023)

56%
Kenya's Ice Cream Market Share

89
Products in Portfolio

7
Countries Across East & Central Africa

200+
New Jobs Created

Dairyland had the brand, the certifications, and the product innovation. What it lacked was the governance infrastructure and capital to scale beyond Kenya. Exeo Capital's 2020 investment addressed exactly that — compressed a decade of potential growth into three years and delivered a 96% revenue jump, a dominant market position, and a 7-country regional footprint

#3 National Cement

National Cement

From a bankrupt state relic to Ethiopia's largest cement producer — PE rebuilt the foundation

The starting point

Where they were without private equity

- Founded 1936; nationalized in 1974 under Ethiopia's Derg regime; effectively bankrupt by 2005, producing just 500 tons/day with an outdated semi-wet kiln system
- So poorly run that management was transferred to another cement factory. Privatized in 2005 (EAMC acquired 80%) and fully rebranded as National Cement by 2010
- New private ownership set an ownership foundation — but real modernization required PE-scale capital, expertise, and a long-term growth mandate

The PE partnership

How private equity added value

- Schulz Global Investments (SGI) acquired a significant stake in 2012, targeting Ethiopia's fast-growing infrastructure demand
- Replaced outdated semi-wet kiln technology with state-of-the-art cement production systems
- Delivered 4x growth in cement production capacity and ~2.7x growth in limestone crushing capacity
- Implemented international operational best practices and strengthened NCSC's brand and market positioning within Ethiopia

Where they got to

Results of PE investment

- 4x production capacity growth; revenue from near-zero to ~USD 70M (2021) and surpassing USD 100M in 2023
- PE-backed turnaround attracted West China Cement (2021) as a strategic partner, who injected USD 170M and assumed SGI's stake
- USD 600M Lemi National Cement Factory inaugurated by Prime Minister in September 2024 — 15,000 tons/day, capable of meeting 50% of Ethiopia's domestic cement demand

National Cement – Where they got to

PE didn't rescue National Cement. It built a national champion

4x

Growth in Cement Production Capacity Following PE Investment

USD 100M+

Annual Revenue (2023)

#1

Cement Factory in Ethiopia

15,000 t

New Plant Daily Capacity

~50%

Of Ethiopia's Demand to be Met

SGI's 2012 PE investment transformed a near-defunct state relic into a competitive modern manufacturer that attracted a global strategic partner. SGI's investment laid the foundation that turned National Cement into the largest Ethiopian Cement company